

GOVERNMENT
OF
THE DISTRICT OF COLUMBIA

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ZONING COMMISSION

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PUBLIC HEARING

IN THE MATTER OF:

TEXT AMENDMENTS TO REQUIRE
THE PROVISION OF AFFORDABLE
HOUSING - INCLUSIONARY
ZONING

Case No. 04-33

Thursday,
July 28, 2005

Hearing Room 220 South
441 4th Street, N.W.
Washington, D.C.

The Public Hearing of Case No. 04-33 by
the District of Columbia Zoning Commission convened
at 6:37 p.m., in the Office of Zoning Hearing Room at
441 4th Street, Northwest, Washington, D.C., Carol J.
Mitten, Chairperson, presiding.

ZONING COMMISSION MEMBERS PRESENT:

CAROL J. MITTEN	Chairperson
ANTHONY J. HOOD	Vice-Chairperson
KEVIN HILDEBRAND	Commissioner (AOC)
GREGORY JEFFRIES	Commissioner
JOHN PARSONS	Commissioner (NPS)

OFFICE OF ZONING PRESENT:

SHARON SCHELLIN	Acting Secretary
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OFFICE OF PLANNING STAFF PRESENT:

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STEPHEN MORDFIN
JENNIFER STEINGASSER

This transcript constitutes the minutes
from the public hearing held on July 28, 2005

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P R O C E E D I N G S

6:37 P.M.

CHAIRPERSON MITTEN: And I will now convene our public hearing for tonight which is Case No. 04-33.

I'm not going to reintroduce everybody again. This relates to inclusionary zoning and it's a continuation from our hearing on Monday.

I just remind folks we're going to pick up where we left off which is with the list of witnesses and the Office of Planning has yet to go, but they will go at the end. We're taking people in the order in which they signed up, so that we have a mixture of those in support and those in opposition. And I would just remind folks that we are being recorded by the court reporter and we're also being Webcast live, so no disruptive noises in the Hearing Room. When you come forward, remember, we need you to fill out two witness cards and give them to the court reporter before you begin testifying, so that she can identify you for the record.

And I just ask that everyone turn off their beepers and cell phones at this time so as not to disrupt the hearing. And anyone representing an organization, one person representing a given

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organization will be given five minutes, and everyone else will have three minutes.

So with that, I think we're ready to proceed and I'm just going to briefly call off the names of folks who had signed up earlier, but did not -- were not here on Monday, so we'll see how many people we get. We're doing panels of four. Michelle Victoria, okay. John McIlwain, Craig Pascal, Leslie Steen, Naomi Mitchell, Jair Lynch, Bradley Fennell -- it's going to go fast if we keep this up. Bob Pohlman, Robert Moore, Christy Hogan, Kristi Cunningham. Sally Roman, Eric Larsen. I think we got our four.

(Pause.)

Mr. Pohlman, why don't you go first?

MR. POHLMAN: Thank you. Good evening, my name is Robert Pohlman. I'm the Executive Director of the Coalition for Nonprofit Housing and Economic Development. I'm here this evening to testify on behalf of my organization in favor of the Campaign for Mandatory Inclusionary Zoning's proposal which is pending before this Commission.

I live in Ward 1 at 1815 Monroe Street, Northwest.

The Coalition is made up of over 90

organizations, both nonprofit and for profit, that are engaged in the production and preservation of affordable housing, neighborhood-based economic development. In addition to six years with the Coalition, I have served over 23 years in D.C. government in a variety of positions. I also serve on the Board of Directors of Manna, Inc., an affordable housing producer, and on the Affordable Housing Advisory Board of the Federal Home Loan Bank of Atlanta.

I want to address several provisions of the Campaign's mandatory inclusionary zoning proposal that have been questioned by previous witnesses. First, the requirement that half of the affordable for sale units be set aside for households with incomes up to 50 percent of Area Median Income. We support this requirement and believe it is achievable. This city should make every effort to make home ownership available to lower income residents and if selling prices are set at levels affordable to people at 50 percent of AMI which they will be under this proposal, there is no reason they cannot purchase and become successful home owners.

Further, to help ensure this outcome, there

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should be an effective city agency charged with certifying incomes and buyer eligibility to purchase similar what's been done in Montgomery County.

Such an agency could connect prospective lower-income buyers with additional resources such as the HPAP program and D.C. Housing Finance Agency's below market mortgage financing. These programs are proven tools for enhancing the ability of low-income buyers to purchase.

Mi Casa, Inc., who could not be here this evening and is a provider of home ownership for low-income families in the District maintains that at the high median incomes we have in this area, it is very realistic for households at 50 percent of AMI and even lower to purchase a home if it is priced at the affordability standards called for in the Campaign's mandatory inclusionary zoning policy.

Secondly, I want to talk about the requirement that for sale inclusionary zoning units must remain affordable for 20 years and be resold within that time period only to other income-eligible buyers and comment on the recapture provision.

As to length of affordability, nationwide, we're paying the price now for outdated policies that

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in the past didn't require housing to remain affordable for sufficient periods of time. With the dramatic rise in housing prices, we see this changing. Many jurisdictions are lengthening their requirements.

Why is this happening? For obvious reasons. If a once-affordable unit is sold in today's market, it is lost forever as far as affordability is concerned. Many of the units we will gain through IZ will be smaller units. This will attract young buyers with smaller household sizes, including many singles. Many people in D.C. are here only for the short term, but the purpose of IZ is not to build the wealth of those short-term home buyers at the expense of the taxpayer and with the result that an affordable unit will be lost. It's not that we don't want lower-income home buyers assisted by government programs to build wealth through equity gain. We'd love to see that happen and in fact, a good deal of equity gain is allowed under the Campaign's proposal, but allowing unlimited short-term equity gain is not reasonable and equitable if it comes at the price of losing affordability forever.

I'd like to comment further on wealth creation issue. There are many ways in which the Campaign's proposal does create wealth, including gains

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on equity that are allowed under the proposal. Gains can be realized equal to the gain in the Area Median Income and so as a home owner sells their property, they will be allowed a substantial amount of equity to gain in addition to realizing all the benefits of home ownership through tax deductions and other measures.

I'd like to comment on administrative workability that's been talked about in various testimony. I think it's critically important that we do have a government agency or other entity that can administer this program. In particular, the administration of the buying and selling of homes. If that's done effectively, there's no reason why qualified buyers won't be available to purchase these units. Also, it's critically important in terms of handling the technical aspects that we have a competent government agency handling that function.

I have advocated for some time that the city should created a specialized unit for this purpose.

CHAIRPERSON MITTEN: We'll have to ask you to wrap it up, then. And we do have your written testimony which I appreciate, so we won't lose anything in what you didn't get a chance to read.

Okay, thank you. Ms. Hogan.

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MS. HOGAN: Good afternoon, my name is Christy Hogan. I'm the Director of Housing and Community Action Program at the Central American Resource Center, CARECEN.

CARECEN is a nonprofit organization located in Columbia Heights, working with the Central American Latino Community in the Washington area. The mission of our housing program is to increase home ownership and to maintain and increase the amount of affordable housing stock in the District of Columbia. Our work includes assisting tenants to organize tenant associations, to address and defend their tenant rights. We also assist associations in tenant purchases and condo conversion elections.

Currently, we are about to finish our first mixed use, mixed income development project at 1460 through 1464 Columbia Road, N.W. This project includes one commercial space that will house our offices and nine condominium units for first time home buyers.

I'm here today to testify in favor of the Campaign for Inclusionary Zoning's proposal. CARECEN believes that this proposal is an essential tool that will help create more affordable housing units, as well as provide a more equitable distribution of affordable

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housing throughout the city.

It breaks my heart when I heard that tenants are leaving their buildings as landlords use many tactics to get an empty so that they can develop the property into a luxury condominium project. I always say to myself, there goes another 30 affordable housing units.

Our work in the community has confirmed that not only is there a huge need to increase affordable housing stock, but there is also a need for long-term affordability and neighborhood stability. The Central American Latino community that we serve is looking for more stable housing opportunities. They want to settle down and own their own home. The majority of the families who are purchasing our units are planning to stay there for many years. They are not interested in purchasing a unit in order to flip it a few years later.

When we talk to tenant associations who receive the opportunity to purchase their units, we often use the term "patrimonia" which is roughly translated into creating capital for their children as a way to encourage them to take advantage of this opportunity.

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We talk with many other housing counselors in our network and share the frustrations when clients are able to qualify for a mortgage, but cannot find any units within their range. They end up having to leave the District of Columbia and purchase a home in Prince William County in Virginia or Prince George's County in Maryland. They have additional stress added to their family in terms of commuting into the city for work, since a number of our clients are the janitors, construction workers or housekeepers for the offices and hotels here in the city.

Within our own development project using the mixed income development helped offset some of the costs in being able to keep other units affordable for families within 30 to 40 percent AMI. Although this project has a 5-year affordability period, future projects will include a longer affordability to prevent the loss of affordable housing units.

CARECEN strongly supports the 20-year affordability period in the Campaign for Inclusionary Zoning's proposal.

Thank you for the opportunity to testify.

CHAIRPERSON MITTEN: Thank you. Ms. Roman.

MS. ROMAN: Good evening. My name is Sally

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Roman. I live at 4229 Franklin Street in Kensington, Maryland. I'm retired from the Montgomery County Department of Park and Planning, where I was the master planner for housing and demographics.

Since then I have worked as a housing consultant for Park and Planning in the Montgomery County Council.

I worked with County Council staff to produce the major report leading to recent changes in our inclusionary zoning law.

I'm here tonight because I'm a strong believe in inclusionary zoning. I hope I can provide some information that will assist you as you consider inclusionary zoning for the District of Columbia.

The Moderately Priced Dwelling Unit, MPDU Program which is Montgomery County's inclusionary zoning law, has been very successful. It has achieved economically integrated communities throughout the county. Units are approved as part of the approval of every subdivision of the specified size range, rarely attracting separate attention. There has been remarkably little controversy. Best of all, the MPDU program has generated more than 11,600 moderately priced units through 2004; 12,100 when Rockville is

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included.

I understand there's concern that the Montgomery County program worked well in its early years and is not producing much now. The program's peak period was from 1984 to 1989 when 4200 MPDUs were produced. All residential construction has slowed since then.

In the most recent five-year period, the county produced a lower total of 1500 MPDUs. Fifteen hundred units are not insignificant, however. AS a result, 1500 households have a place to live that they can afford, that they probably would not have otherwise. I think it's safe to say that few, if any, other jurisdictions in the country have produced as many affordable units during this period.

Another concern seems to be the program's response to changing market conditions. It's true that the program produces the most units in the early years of a housing boom. Ironically, production drops off in the later years of a boom. The data also showed that when a recession comes, the number of MPDUs may not be as high as it was during the boom years, but MPDUs as a percentage of all housing units built rises substantially. For example, during the boom years of

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1988 and 1989 or 1998 and 1999, fewer than 5 percent of units completed were MPDUs. In the down years after the 1991 recession, MPDU production rose to 13 percent.

It appears that when times are tough, builders welcome MPDUs, since they know they can sell them at least break even on them and keep their crews busy.

Since inclusionary zoning is by definition proportional to all housing construction, it actually adjusts quite admirably to the market.

I was also going to talk a bit, but I'm running out of time, about the challenges we've been facing about providing high rise, but you can read that section in the written testimony.

CHAIRPERSON MITTEN: Thank you. Thank you for bringing this to us.

Mr. Larsen.

MR. LARSEN: Good evening. My name is Eric Larsen. I live at 9010 Mohawk Lane in Bethesda, Maryland and I was the program administrator for Montgomery County's Moderately Produced Dwelling Unit Program for about 15 years, until I retired earlier this year.

I was often asked to make presentations to other jurisdictions about our program because it was

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considered as one of the more successful programs in the county. I used to go around the country doing this.

In the metropolitan area, jurisdictions have adopted a program similar to Montgomery County; Frederick County in Maryland and Fairfax and Loudoun Counties in Virginia have a similar program. Fairfax County's is about 10 years old and Frederick is just starting theirs. Loudoun is about two years old.

During the time that I was the program administrator, the legislation was amended several times to adopt changes in the factors that impact affordable housing.

Approximately one year ago a report was prepared by the Council that Sally just mentioned that recommended a number of modifications to encourage affordable housing in more urban areas by permitting an increase in the bonus density for high rise developments and to extend the control period for for sale units from 10 to 30 years and for rental units from 20 to 99 years.

I think the program has worked very well. There's over -- with Rockville City included in the count, there's over 12,000 units that have been

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produced over about 30 years that the program has been in effect.

It's difficult to distinguish the affordable housing from the market-rate housing because the builders, I think, probably deserve the most credit for this. They've tried to make their units fit in well with the market-rate units and I think in most cases they succeed in that.

The foreclosure rate on the affordable units is less than 2 percent and a criticism that the people won't be able to afford the units, I don't think is valid.

CHAIRPERSON MITTEN: Can you wrap it up, you're just out of time.

MR. LARSEN: All right. I'll be glad to answer any questions, if you have those.

CHAIRPERSON MITTEN: Okay, and did you have any written testimony to submit?

MR. LARSEN: No, I don't.

CHAIRPERSON MITTEN: Okay. Any questions from the Commission?

Mr. Jeffries?

MR. JEFFRIES: Yes, Mr. Pohlman, I'm trying to square your testimony with that of George Rothman's

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testimony from Monday. I'm sort of comparing the two here and in fact, you're on the Board of Directors for Manna, Inc.?

MR. POHLMAN: That's correct.

MR. JEFFRIES: Obviously, he has said before this Commission that based on his experience, 23 years, the organization has been building homes for -- affordable housing in the District, that it is just unrealistic given costs, land costs, cost of construction and just general market forces to really deliver housing that is for individuals that's below that 50 percent threshold.

Can you just walk with me, help me out, in terms of reconciling your position as Board of Director of Manna, Inc. and then have the president come in on Monday and say something very different.

MR. POHLMAN: Actually, I tried to talk to George about that this afternoon, but the best I can make out of the statement, because Manna targets 45 to 65 Area Median Income, residents with Area Median Income from 45 to 65 percent for home ownership. They try to get home ownership for people below 50 percent of Area Median Income.

I hesitate to speak for George on this, but

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if we're talking about the difficulty of producing housing in today's market, that will be affordable to people at 50 percent, absolutely, that's a problem. But I hope that he understands and certainly I hope the Commission understands that under the inclusionary zoning proposal, the housing that is sold to people at 50 percent of AMI will be sold at a price that according to all standards, HUD standards, 30 percent of the income can be spent for housing will be affordable to them.

Mi Casa that also produces affordable single-family homes, I just spoke to today, and reassured me that they try to get down even as low as 30 percent. When you start going below 30 percent of Area Median Income it becomes a different matter because then you possibly can't even afford to pay for on-going maintenance, property tax, those kind of expenses, but quite frankly, at 50 percent of Area Median Income, Manna does serve home buyers at that level.

I also made a point in my testimony which I probably didn't get to that well in reading it, that one of the ways to deal with this is to have an agency that and I believe Montgomery County does this, that preselects those who can purchase. Gives them a

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certificate, says they're eligible to purchase. Make sure their income is adequate and I think even screens credit worthiness.

So that you send a group of buyers to the provider of inclusionary units that are already qualified. Now there's no shortage of people who want to buy. I think we can all agree to that. Carol Casperson was also on Monday, said she had 8,000 families waiting to buy the low-cost units that they have.

So if it's a matter of screening to make sure you get the ones who truly are credit worthy and can succeed at home ownership, 50 percent of AMI, I think we need to do that. I think it's worthwhile. I'm not talking here about a production problem. We're talking about whether people at 50 percent of AMI which is now almost \$45,000 for a family of four, can possibly be home owners. Yes, they can.

MR. JEFFRIES: And you brought up the whole notion of condo fees and there's also the concern there needs to be some level of reserve placed in case there is some catastrophic situation, the roof caves in and so forth. And then you're dealing with the population that is between 30 and 50, you know, I'm just sort of -

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- I'm just trying to figure out the math. And I think we're going to get through it, but we certainly, I do have some reservations, having some experience in the development community about the 30 or 50 and I'm really looking for a lot more testimony around how we really capture that population within this IZ, this inclusionary zoning program. Because there might be other ways in which to sort of deal with that population. It might not necessarily come through mandatory inclusionary zoning, but I just wanted to put that out there that I'm really interested in that.

I think it's another thing that Rothman said or someone else said about the whole notion that this whole 30 percent of your gross income towards household expenses is sort of unrealistic. Today, particularly in markets such as New York and San Francisco and now D.C., it's just unrealistic to think that you can do the 30 percent mark and that we really need to start looking at higher percentages of household, of income, you know, directed towards just your household expenses.

So I'd also like to have some people who come up here to speak to address some of those issues as well.

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MR. POHLMAN: Let me just comment on that. He said that it should be up to the seller and the lender and rightly so. And if they want to accept people who are paying 40 percent, they actually could have lower incomes, you see, than 50 percent of Area Median Income. And qualified to purchase that home. I mean there's nothing that would prevent that.

And so I don't have any problem with that possibility.

CHAIRPERSON MITTEN: Thank you. Mr. Hood?

VICE CHAIR HOOD: Thank you, Madam Chair. Ms. Roman, a quick question for you.

In the moderately-price dwelling unit program in Montgomery County, when the law was passed, did it have to be massaged as it went along or was it out there for a while before anybody tampered with it or how did that work?

MS. ROMAN: It actually has been amended a number of times over the years and some of them happened fairly quickly. I think Mr. Larsen can address that even to a greater degree than I can.

VICE CHAIR HOOD: Okay, Mr. Larsen, can you help me with that?

MR. LARSEN: It's probably been amended about

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20 times over the years. The first major amendment as they extended the control period from 5 to 10 years and then they adjusted the requirement from 10 percent and they increased it to 15. Later on, they dropped it back and made it between 12.5 and 15 percent. But it's changed a number of times to adapt to changes.

VICE CHAIR HOOD: How long was it out there before the first time it was adjusted?

MR. LARSEN: About two years.

CHAIRPERSON MITTEN: And when you changed it, what are the incentives that Montgomery County has?

MR. LARSEN: The bonus.

CHAIRPERSON MITTEN: The bonus, so when you changed it and you lengthened the control period or you increased the percentage, did you change the bonuses or not?

MR. LARSEN: Bonus were modified in that also. They went up from 15 percent to 22 percent.

CHAIRPERSON MITTEN: Okay.

MR. LARSEN: The bonus density, when the requirement was changed from 12.5 to a range -- it was changed from 10 to 12.5 to 15 percent and a bonus density from up to 22 percent, so you got a few extra market rate units if you provided the highest number of

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affordable units.

CHAIRPERSON MITTEN: And what's the minimum size project to be subject?

MS. ROMAN: Twenty.

MR. LARSEN: It's now 20. It was originally 50 and then about two years ago they lowered it to 30 and then a year or so ago they lowered it to 20.

CHAIRPERSON MITTEN: Okay.

MR. LARSEN: I think that's one of the reasons -- the county is about 75 percent developed and the subdivisions that are being approved now are much smaller than they were back in the 1970s and 1980s. So there were a few subdivisions that didn't have an affordable housing requirement.

CHAIRPERSON MITTEN: Mr. Hildebrand?

MR. HILDEBRAND: Just one quick question. Just to make sure I'm understanding, the 11,600 units that have been created by the program which jumps to 12,100 when you include Rockville, of those 12,100, how many are will affordable units?

MR. LARSEN: It's probably in the neighborhood of between 3,000 and 4,000.

MR. HILDEBRAND: So if the 12,000 only a third is still in the affordable count?

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MS. ROMAN: Probably, plus another 1500 that belonged to nonprofits or the Housing Opportunities Commission which is our housing authority.

MR. HILDEBRAND: And that's because -- is that directly tied to the affordability length?

MR. LARSEN: The control period was originally 5 years, then 10 years. And now it's 30 years with -- if it's sold during that 30-year period, the controls, a new control period starts.

MS. ROMAN: I would also comment that until quite recently, even when they went out of the control period, the prices in most cases tended to stay fairly moderate, because they are smaller, simpler units.

With the current housing boom, who knows? I don't know exactly what's happening to them and I think that's part of why the law has been changed and the control period has been lengthened.

MR. HILDEBRAND: Thank you.

CHAIRPERSON MITTEN: How did you all deal with the financial feasibility issues? You mentioned something about it in your testimony but who evaluated it? Who heard those cases?

MR. LARSEN: It was -- in highrise developments it's sometimes difficult to provide

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affordable units because of construction costs. In the county, they couldn't always get a density bonus because of master plan limited the height of the building. In many cases, they didn't get up to what the zone permitted. And the county's law permitted or allowed for an alternative method of meeting the requirement, either through a payment or providing units in another location.

Most developers wanted to make a payment and that decision was made by the Director of the Department of Housing and Community Affairs.

Recently, they changed that so now a committee of the Director of the Department of Housing and Community Affairs, the Chairman of the Planning Board and the Executive Director of the Housing Opportunities Commission, which is our public housing authority now make that decision.

MS. ROMAN: However, we don't have experience with that yet because that only has gone into effect very, very recently.

CHAIRPERSON MITTEN: With the committee you don't have experience?

MS. ROMAN: With the committee, we don't know how that's going to work out.

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MR. LARSEN: Right.

CHAIRPERSON MITTEN: And did you have a set of -- a prescribed set of information that was required to be submitted to establish the feasibility of the project or was that just done --

MR. LARSEN: We would ask that they submit pro formas showed that the project would not be financeable if the full requirement for the affordable housing units were provided.

Normally what happened is that we were able to negotiate where at least half of the MPDUs were provided on site and the developers made a payment for the half that were not provided. It was a payment to the Housing Initiative Fund which is used to support other affordable housing projects.

CHAIRPERSON MITTEN: And was that payment prescribed in advance, the formula, or was it negotiated?

MR. LARSEN: It was not really a formula for that that was negotiated.

MS. ROMAN: There now is.

MR. LARSEN: Now there is.

MS. ROMAN: The new law that was passed last December now sets it at 125 percent of what we consider

it, the typical land costs which would be -- because the typical land costs per unit for high rise is 10 percent. That amount will be 12.5 percent of the cost of the unit and it goes up to 37 percent for a single family detached because typically it's about 30 percent of the value of the home is the land cost.

CHAIRPERSON MITTEN: And that hasn't been applied yet either, the formula?

MS. ROMAN: It's been applied, but I don't know -- I wouldn't say we really have any experience with that yet.

CHAIRPERSON MITTEN: Okay.

MS. ROMAN: It's awfully new. This new -- the new changes in the law went into effect April 1st, so it's been a pretty short time so far.

MR. LARSEN: The Director used to require that developers make a payment of 10 percent of the cost or the sale price of the market rate units for each MPDU that was not provided on site.

It was significant. I mean in many cases -- not many, but in several cases the payment for not providing the unit was about \$100,000 per unit that was not provided on site.

MR. JEFFRIES: It was stiff, it was a

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disincentive to try to put money into the count versus trying to provide.

MS. ROMAN: That's true, but I think there was some feeling that some of the high rise prices to someone who was not a builder or developer or an expert looked low to them because some of them were in the \$25,000 to \$30,000 range.

MR. LARSEN: It goes to what you were talking which is some of the questions you asked the gentleman there about the condominium fees. If you have the price of the high rise unit which is normally high and you can't do much to reduce that, other than to reduce the size of the unit. It's not like a townhouse where you can make modifications to it.

And when you have most of these high rise developments have a lot of amenities and they expensive condominium fees and that was the combination of a high cost and the high condo fees made the units unaffordable to people in our program. So what we did do was increase the income limit for high rise developments, have the developer provide smaller units on site and make a payment.

My director took a lot of criticism for that and as a result they did change the law in the last

year, to try and encourage that all of the units be provided on site.

CHAIRPERSON MITTEN: Anyone else have questions for this panel?

Okay, thank you very much. It was very helpful.

Ed Lazere. Is Ed here? Okay. Chip Glasgow. I don't see Mr. Quinn, so Steve Sher and you guys can fight over who gets five minutes. Brenda Batts. Leon Swain. Somebody with a really tough name of Masliansky.

So we'll have the representative from the D.C. Fiscal Policy Institute go first, if you wouldn't mind introducing yourself to us.

MS. RODGERS: My name is Angie Rodgers and I am a policy analyst for the D.C. Fiscal Policy Institute. Thank you for the opportunity to speak today on this very important issue.

DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia with an emphasis on policies that affect low and moderate income residents.

DCFPI released a report earlier this year that identified the loss of more than 5,000 units of

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affordable rental housing in just the period between 2000 and 2003. And for your reference, I have attached that report to my testimony.

During the same period, the number of high cost rental units increased by about the same amount. We documented a similar trend among owner-occupied units with a decrease of more than 20,000 affordable homes valued under \$150,000 alongside an increase of more than 12,000 homes valued over \$500,000.

These trends present a tremendous challenge for the District's residents, particularly those who are low income to continue to balance the cost of housing with all of their other needs. For this reason, DCFPI supports a mandatory inclusionary zoning policy as part of a long-term comprehensive strategy to address the issue of affordable housing in the District.

While I agree with the thrust of the proposals offered by both the Office of Planning and the D.C. Campaign for Inclusionary Zoning, I want to highlight the importance of some of the tenets of the Campaign's proposal that I feel would be crucial to crafting a substantive response to the affordable housing crisis growing in our city.

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First, a mandatory policy should devote as many affordable units as is possible to low income households where the need for housing assistance is the greatest. DCFPI's report showed that nearly all the D.C. households with serious housing affordability problems, meaning they spend more than half of their income on housing, have incomes below 50 percent of AMI.

Because developers are likely to set rental rates close to the income threshold, a policy that sets income thresholds between 70 and 80 percent of Area Median Income will likely bypass the lower income District residents who need the relief the most.

To make inclusionary zoning a viable policy for low income families, the Commission should consider allowing inclusionary zoning to be packaged with other policy and programmatic tools that target low income households. For example, inclusionary zoning could be packaged with housing vouchers, allowing low-income families to pay 30 percent of their income towards costs and the entity issuing the voucher to pay the remainder. Most importantly, the D.C. Housing Authority should be given the first right to purchase

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affordable units.

DCHA could then, in a similar manner, offer the units to low-income households packaged with other forms of assistance. This would also make the acquisition of affordable housing less expensive for the District government.

A mandatory policy should extend the length of affordability on both rental and owned units. Inclusionary zoning may be how the District develops affordable housing, but extended affordability periods will be how the District keeps affordable housing. Montgomery County just extended their affordability period to 99 years for rental housing developed under its inclusionary zoning program because they found that the units developed in the early years of the program are now being lost to the expiration, due to the expiration of affordability control periods.

The District can learn from that experience and adopt the same 99-year control period for rental housing or at the least adopt stricter controls proposed by the campaign.

While I'm sensitive to arguments about equity loss associated with affordability controls on owner-occupied units, I want to emphasize that the 5,000

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affordable rentals and 20,000 affordable homes we lost between 2000 and 2003, will most likely never be affordable again. While we're losing affordable housing, we were gaining low income households.

Moreover, the D.C. Housing Authority has over 60,000 residents on its waiting lists for public housing and for Section 8 vouchers. These numbers indicate to me, at least, that we don't have an affordable housing problem. We have a crisis and we have to respond appropriately to that crisis. I want to emphasize that affordability controls do not completely strip home owners of their ability to use their homes as wealth building tools. We need to seek that middle ground that I think is represented in the Campaign's proposal by long affordability periods which preserve affordable housing in the long term with some ability to capture equity gain at the time of sale which does not provide a windfall to low-income homeowners, but does benefit them. Ten-year control periods mean that we have to continually produce affordable housing which is a much more expensive venture than preservation.

Finally, there should be limits on the number of affordable units that developers can locate off

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site, away from the affected project. The District should not risk the chance that affordable units will be crowded into the same areas of the city away from market-rate units and high-income residents.

Thank you for the opportunity to testify and I'm happy to answer any questions you might have.

CHAIRPERSON MITTEN: Thank you. I'll let Mr. Sher and Mr. Glasgow decide who goes first and Mr. Sher is going to get the five minutes. It's a treat for you. You don't usually get that much time.

MR. SHER: Good evening, Madam Chair and Members of the Commission. For the record, my name is Steven E. Sher, the Director of Zoning and Land Use Services with the law firm of Holland & Knight. Mr. Glasgow and I have divided our presentation so that we're going to pose a series of questions, rhetorical, because we frankly don't expect the Commission to answer our questions, but we'd like you to think about what the answers to these questions are and then to address some specific points about the proposed regulations.

Why is the Zoning Commission proposing to impose requirements on a narrow segment of the society, the developers and purchasers of new housing, above a

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certain size and in certain sections of the city, to address a problem for which that segment of the society is not responsible?

As the primary reason for the affordable housing crisis appears to be that residential construction is not keeping pace with job creation, why is the District not looking at broader ways to increase the amount of housing in the city? Why not increase residential density in all zones? If we have more housing, we will have a greater proportion of housing to jobs.

Why is the Zoning Commission proposing to burden developers in the city with inclusionary zoning requirements when the primary amount of job creation and the largest number of jobs is actually being created outside the city?

Assuming that the District could use more housing affordable to people making 80 percent of the AMI or less, why is it the responsibility of that narrow segment, the developers and purchasers of housing units in certain places and certain sizes, why is it the responsibility of that segment to provide that housing?

Why is the Zoning Commission proposing to

adopt a regulation which differentiates land use on the basis of the income levels of the persons who are going to occupy that use? That's not anything we've ever done before. And I don't understand why it's something you want to think about doing now.

Since the proponents of IZ admit that it will work, if at all, only in a strong housing market, why have they pinned their hopes on a market which over the last 25 years, has average production of only 355 housing units a year and in some of those years, there was zero housing units created?

We happen to have a reasonably strong market right now. It hadn't been that way for very long and if you look at the numbers over the last 25 years, there have been a lot of times when there hasn't been very much housing created at all.

Since the proponents again admit that the IZ system works when a developer gets a bonus to offset the cost of writing down a sale or lease price of units, why was the inclusionary zoning proposal applied to a situation where no increase in density can be achieved? If the development is constrained by the height limit by the Act of 1910, for example, you can't get any more height, you can't get any more density on

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the property, how can you apply an IZ requirement in that situation?

Substantial rehabilitation of existing buildings, if the existing building, if the amount of floor space is already fixed, you can't get any more on the site and yet substantial rehabilitation is proposed to be included within the scope of this proposal.

Why does the inclusionary zoning proposal tinker with the regulation PUDs? PUDs have contributed to housing and affordable housing in many ways, but they also throw off many other public benefits and amenities not all of which can be quantified. We've generally seen the PUDs have not resulted in displacement of existing residents. PUD process has resulted -- has become a site plan and a development control mechanism, but approving a formulaic approach to PUDs ignores the flexibility that the whole process was designed to achieve.

We'd like to capture a couple of additional thoughts, not questions.

The housing boom in the District is incredibly fragile. In only 4 of the last 25 years did permits for new housing exceed 1,000 units. As a point of comparison, in 2004, there were permits for slightly

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under 2,000 new units in the District. In the five major close in suburban jurisdictions there were permits issued for almost 15,000 new units and in the metropolitan statistical area in 2004, there were permits for over 36,000 new units. So the number of housing units in the District is relatively small compared to housing activities going on elsewhere in the region. The Commission needs to be very careful in how it impacts that market.

One more issue. The residential market is largely a regional market. The shortage of housing at all levels and housing for persons making less than 80 percent of the AMI occurs throughout the geographic area. The Zoning Commission needs to be very careful about placing residential development in the District at a competitive disadvantage to the residential markets in other jurisdictions. Many of our residential developer clients are active throughout the area and their investment decisions will be influenced by the relative ease or difficulty of getting units into the market and it's also a function of the freight which is loaded on to that product which affects the price that they can charge. So again, we urge you to be very cautious as you look at these proposals and we

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ask you to think about the answers to the questions that we pose.

CHAIRPERSON MITTEN: Go ahead, Mr. Glasgow.

MR. GLASCOW: Thank you. First, I'd like to comment that I certainly don't envy the position that you all are in having --

CHAIRPERSON MITTEN: Will you just introduce yourself.

MR. GLASCOW: For the record, my name is Norman M. Glasgow, Jr., the law firm of Holland and Knight.

It certainly is a daunting task that you all have to respond to the numerous and various points of view that there are on this issue.

Just briefly, I'm a prior Board Member of Jubilee Housing and I'm currently on the Council of Advisors for Jubilee Support Foundation. And I represent a number of CDCs over the years and affordable housing providers.

Maintaining and acquiring affordable housing in this city has been a difficult task, now and it has been over the last several decades or two decades that I've been involved in.

I think that there have been issues raised by

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Ms. Hogan and Ms. Rodgers that I think are very important to focus on as we look at this issue and that is the loss of existing affordable housing stock and how it is that over the years we have done some projects, particularly PUDs like with 919 L Street, that affordable housing project, that was going to be lost, that building was going to be lost, turned over to a market-rate unit.

We were able through the PUD process to save that building, turn it into a low-income equity co-op.

And I think that what you may end up seeing and what I'm concerned about, if we're not careful as to how we deal with this issue is that you'll have an affordable building a block away from a project. You'll get six units in the project, in the new high-rise project because of however this determination goes as to what the bonuses are, and then you'll end up losing a 30 or 40 unit building that you could have allocated those resources and there's nothing wrong with gap financing when the people are putting together these packages which are very difficult and have a lot of complexity to them.

You put that together, you get the gap financing, you turn the building into a low-income

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equity co-op or something else, put the restrictions on it, put the covenants on it and you could produce and save many more units than you may otherwise.

Now just getting through -- I see I'm down to a minute, with respect to just specific issues here on these proposed regulations or TDRs is one thing that we've seen. With transferrable development rights, those were given as benefits and bonuses to developers for providing for preferred uses in the downtown area.

Now we're looking at a potential where those same areas where the TDRs are supposed to go and this is from both the sellers' and the purchasers' standpoint where they'll, in effect, have provided the benefits and then say well, wait a minute, we've got a rule change here as to how those TDRs can be used because in most of those cases we're going up to the height and the FAR permitted under the 1910 Height Act, full FAR.

There's going to be no bonus there. So somebody is going to be significantly disadvantaged if those apply to the TDR receiving zones.

Also, the Capital Gateway overlay where the Commission has just taken the FAR from 6 to 7. You have a similar situation.

CHAIRPERSON MITTEN: Thank you. Do you guys

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have written testimony to submit?

MR. GLASCOW: We assume that the record is going to be open because we have a number of issues that we would like the Commission to consider and we want to submit a written statement later.

CHAIRPERSON MITTEN: Okay. I would like to capture all of that.

MR. GLASCOW: It's much longer than any of this that we've had.

CHAIRPERSON MITTEN: Okay, Mr. Swain.

MR. SWAIN: Madam Chair, my name is Leon Swain. I'm ANC Commissioner representing 8E05 in Anacostia. And I'd like to talk about this program or this policy that we're about to enter into.

I'm a lifelong, third generation Washingtonian. My grandson represents the fifth generation. I was raised in public housing. I got my first job with the Metropolitan Police Department. I retired from there in 1989. I've been a long-time property owner. I'm part owner of Naylor Gardens in Southeast Washington which is one of the largest, publicly owned pieces of real estate in Washington, D.C.

We have problems. We have housing problems.

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What I'm hearing from all of my constituents that they're being bombarded every day and being put in a situation where they're going to lose their homes because they simply cannot afford to live in Washington, D.C. right now.

And these are people that are making \$50,000, \$60,000, \$70,000 a year. I never thought that we would see a time where you couldn't live in D.C. making \$70,000 a year. In 1996, I live at 1202 Savannah Street in Southeast Washington. In 1996, I refinanced my house for -- the first time in about 15 years. I argued for three or four weeks for them to give me an appraisal above \$100,000 even though I had replaced everything in my home. Two weeks my appraisal came back for \$285,000, the same house.

What we're seeing out there in Anacostia and I'll be right up front, for the longest time, Washington, D.C. thought that it stopped at the 11th Street Bridge. There was absolutely nothing being done in Anacostia. And now all of a sudden, everybody is embracing Southeast Washington. Why? Because there's nowhere else left to build.

What we have here, we have developers coming in here telling you that we're going to do this and do

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that. But I'll tell you one thing about developers. Developers are gone after the project is completed. Citizens are here for a lifetime. And what we need to do, if we're going to err, we need to err on the side of the people who have carried this city on their back, through the Depression, through the riots, through redlining of our neighborhoods. These people, they stayed. They paid their taxes. They supported the city. They sent their kids through public schools and now all of a sudden they're being priced out of the area.

When I was five years old, I lived at 919 25th Street in Georgetown and anybody who is a lifelong resident will tell you that in 1950s that's where blacks lived at. They lived in Georgetown. That was it, right off Pennsylvania Avenue, one block off of 25th and Pennsylvania Avenue. They were forced out of that area. They started redlining it. They started raising the rents.

From there, I moved to 1313 Florida Avenue.

CHAIRPERSON MITTEN: I need you to give us your closing thought, Mr. Swain.

MR. SWAIN: I thought ANC people had a little bit more time.

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CHAIRPERSON MITTEN: Only when they're speaking on behalf of the ANC.

MR. SWAIN: I will submit the rest of my testimony.

CHAIRPERSON MITTEN: Great.

MR. SWAIN: But the thing is what we need to do is that we need to make sure that if we're going to err, we need to err on the side of the people and not on the side of developers because people are the ones that make the city, not developers. Developers make the projects. People make the city.

CHAIRPERSON MITTEN: Thank you, Mr. Swain.

(Applause.)

CHAIRPERSON MITTEN: Settle down now. Okay, any questions for this panel?

VICE CHAIR HOOD: Thank you, Madam Chair, and I know they're going to be giving us a lot of documentation. He asked a number of questions.

First, let me ask you to repeat your first question, not that I'm going to answer it, but --

MR. SHER: First question was why is the Commission proposing to impose requirements on a narrow segment of the society, the developers and purchasers of new housing, above a certain size and in certain

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sections of the city, to address a problem for which that segment of the society is not responsible?

VICE CHAIR HOOD: I guess from hearing that first question just raised a flag with me and is that what you're hearing from developers? Obviously -- or is that something you pictured? Is that the discussion that's out there with housing, residential developers?

MR. SHER: The IZ proposals as formulated by both the Campaign and the Office of Planning, apply to the certain designated areas upon which they both seem to agree in general and we're not supposed to be talking about areas tonight, but the areas in general seem to be the same. They apply to projects that are at or above a certain threshold.

If I had a project across the street from one of those boundaries, however you decide to draw it, or a project of something less than the minimum threshold, I don't have any responsibility. So Chip's got a project that's on the other side of the street that's over the threshold, he has to bear a part of that responsibility. And the question I'm asking is why should he have responsibility when the rest of the folks don't?

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VICE CHAIR HOOD: I --

CHAIRPERSON MITTEN: Wouldn't be fun to debate this?

VICE CHAIR HOOD: I'm not going to, but you're right I can keep going, but I'll cut that off.

MR. SHER: And at this point, Madam Chair, we're not talking about geography at this point. So we'll obviously address that at a later date.

CHAIRPERSON MITTEN: I just had a question for Ms. Rodgers. In your testimony you were encouraging us to allow the inclusionary zoning units to be packaged with other programs. Is there something in the proposals that suggest that they couldn't be that we should be aware of?

MS. RODGERS: No. I was just expressing, I mean support for it.

CHAIRPERSON MITTEN: I just wanted to be sure because I didn't -- I wasn't aware of anything that would preclude that.

MS. RODGERS: I understand also that that may be a controversial issue to try and reach those lower levels of AMI and so DCFPI based on the type of research we do just wanted to express support for that.

CHAIRPERSON MITTEN: Okay. I just wanted to

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be sure I was clear about it.

Anybody else?

MR. JEFFRIES: Just a quick questions, Ms. Rodgers. Mr. Sher spoke about sort of perhaps creating or generating greater inventory of housing to sort of address some of the needs for increased affordable housing. Has the Fiscal Policy Institute, have you guys given any thought to that as being a potential way of addressing some of the concerns of greater affordable housing?

MS. RODGERS: Generating more housing?

MR. JEFFRIES: Just in general.

MS. RODGERS: In general, no, we haven't looked at that. And I think the thing that we need to keep in mind is that we're talking about this issue of inclusionary zoning tonight and we've been so focused on this because that's our little piece.

There are other groups around the city doing different things who are all looking at addressing this issue of affordable housing. Inclusionary zoning is not the answer, but we can't give up our part in the same way that no one else can give up their part of the answer. So we haven't looked at that particular piece, but I just don't see that as a suitable reason to say

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we shouldn't do inclusionary zoning because it's not going to solve the problem of affordable housing.

MR. JEFFRIES: Do you think it's just too broad an issue?

MS. RODGERS: Too broad of an issue and I mean if DCJ has 60,000 people on a waiting list and that's not even indicative of everyone who is paying too much for their housing, you know, it doesn't cover lots of people. It's very broad. It's a crisis.

CHAIRPERSON MITTEN: Anyone else? Okay, thanks. Ms. Masliansky or something close to that. Tim Stephens. Caroline Kuebler. Renee Bowser.

Why don't you go ahead and get started while everybody else gets settled?

MS. MASLIANSKY: Good evening, members of the Commission, Staff and members of the community, my name Nechama Masliansky. I am a resident of Ward 1. I live at 2939 Van Ness Street and I'm the Director of Advocate and Social Justice at So Others Might Eat, known as S.O.M.E.

Thank you for the opportunity to comment and testify in support of the petition in Case No. 04-33.

S.O.M.E. is a nonprofit, interfaith organization that for over 34 years has provided health

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and hope to extremely low income District residents. Most of our clients are homeless or recently were homeless.

In addition to the meals that S.O.M.E. provides and is well known for, we also offer a wide range of programs to help people move out of poverty and homelessness to independence. We provide supported, long-term housing for several hundred extremely low income individuals and families and many of our guests are employed.

S.O.M.E. considers affordable housing to be an urgent need in the District. We ourselves have started a housing development initiative to build or renovate up to 1,000 units of affordable housing. Next month, we will open Independence Place at 2800 N Street, Southeast for 21 pre-screened tenant families and we will provide on-site supportive services.

Although this is a genuine accomplishment, thousands of units are needed, while the cost of acquisition and development are extremely high, and the availability of public subsidies is increasingly scarce.

S.O.M.E. endorses mandatory inclusionary zoning. Such zoning will help to close the gap between

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the need and supply of affordable housing and it will leverage the expertise and capacity of the private market to develop such housing while the private market develops new market rate housing.

Mandatory inclusionary zoning will also maintain the District as a vibrant, diverse community.

Father John Adams, president of our board, endorses mandatory inclusionary zoning as does Citizens About Real Empowerment, CARE, which is a self-help, self-empowerment group of formerly homeless individuals with whom we work. Many of those individuals reside in S.O.M.E.'s single-room occupancy housing and are seeking ways to find their own independent, affordable housing, an extremely challenging task.

Specifically, S.O.M.E. recommends the proposal by the Campaign for Mandatory Inclusionary Zoning. The advantage of their proposal is that it will allow qualified nonprofit organizations and the D.C. Housing Authority to have the first right to purchase 40 percent of the set aside affordable units in any given inclusionary development.

Those units would then be rented to extremely low income persons such as our clients, who otherwise have little hope of finding any independent housing in

the District. In addition, the Campaign's proposal would allow certain rental units not optioned by the nonprofits or the DCHA to be prioritized for a separate lottery of housing choice voucher holders considering that there are currently 43,000 names on the waiting list for housing choice vouchers in the District, not to mention the 23,000 people on the waiting list for public housing. This help would be most welcome.

Thank you very much.

CHAIRPERSON MITTEN: Thank you. Mr. Stephens?

MR. STEPHENS: Thank you. Good evening. I'm Tim Stephens. I'm the Advisory Neighborhood Commissioner on BO6, the boundaries of that District, Single Member District are Belmont and Euclid, 14th and 15th and Columbia Heights.

I'm here as a citizen and as a Advisory Neighborhood Commissioner, but not as a representative of 1B. 1B has endorsed the principle of inclusionary zoning, but not taken a specific position on the proposals in front of you.

I can't stress, underline or emphasize the necessity of the Commission to address the issue for affordable housing enough. In the few short months

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since running for office and then being elected, in my Single Member District alone, 50 units of housing have been lost. There are another 20 under threat right now. It's a crucial time for the city, its posterity and its integrity.

I believe you have in front of you from the Campaign the proposal to support affordable housing through zoning. A mandatory system can help us assure that there's multi-ethnic and multi-income community. I commend that resolution for your support.

As affordable housing is departing rapidly from my sector of the city, it's happening at the same time where there are a number of undeveloped and underdeveloped lots. Your actions can be crucial in ensuring the longer term diversity of housing options where I live and across this changing city.

By allowing the creativity of the market to be harnessed and linking the wealth created in the recent expansion of real estate values, you're in a position of assuring that essential workers, teachers, nurses, first responders are able to live and work in our community and the communities they serve.

Appropriate density bonuses are part of the package that you have in front of you. It also means

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that developers have the incentives to continue to add to the housing stock and to maintain it.

I commend you the need to address this issue and the powers that you have and specifically the proposal in front of you because I believe there are sufficient incentives and it's equally ambitious in terms of assuring that we have goals set for maintaining diverse and affordable housing.

Thank you. I appreciate the time.

CHAIRPERSON MITTEN: Thank you, Mr. Stephens.

Ms. Kuebler. Turn on your microphone for us, would you?

MS. KUEBLER: Good evening. My name is Caroline Kuebler and I live at 1313 12th Street, Northwest, ANC-2F.

I strongly support the inclusionary zoning plan that was presented on Monday night. I rent an apartment in the Logan Circle-Shaw area, an area where I could not afford to buy a house or condo, given the current real estate market. I have lived in D.C. for almost four years, moving here for a job with a large environmental nonprofit.

Many neighborhoods throughout D.C. are currently out of the price range for many young

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professionals who work for the government or nonprofits. Most of these people would like to be able to permanently settle down in D.C., but because of excessive housing prices in the District, many are looking to leave D.C.

It would be a mistake to not create affordable housing opportunities for these young professionals who have the potential to invest long-term energy and time in their communities.

Currently, the organization that I work for is developing a 5-year plan to move its offices outside of the District, thus allowing more of its employees to have access to affordable convenient housing.

I believe that this inclusionary zoning plan would allow D.C. to retain more of these moderate income professionals and the organization they work for while also improving the situation for lower-income residents.

Thank you for your time.

CHAIRPERSON MITTEN: Thank you, Ms. Kuebler.

Ms. Bowser. Would you turn on your mic for us?

MS. BOWSER: Good evening. My name is Renee Bowser and I live at 5322 Second Street, Northwest, which is Second and Jefferson and that's in the

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Petworth neighborhood of Ward 4.

I've lived and worked in D.C. since 1983. I'm an Advisory Neighborhood Commission for ANC Single Member District 4D02 and I'm testifying on behalf of the chair of the Advisory Neighborhood Commission Keith Jackson.

ANC 4D is composed of six Single Member Districts which cover a substantial portion of Petworth. On February 15th of this year, ANC 4D passed a resolution in support of the D.C. Campaign for Mandatory Inclusionary Zoning's proposal for mandatory inclusionary zoning. My ANC strongly supports the Case No. 04-33 proposal.

I'm going to speak personally. I bought my house in 1989 from a man and his wife who moved to Petworth in the mid-1950s, an elderly black man. He worked as a taxi driver and she, the wife worked as a teacher, at \$410,000, the price at which a rowhouse on my block sold earlier this year. That same couple who worked and served this city would not be able to build their family in Petworth today.

Another nearby neighbor who along with her husband bought a house in the mid-1950s, also would not be able to afford her home today because she now

retired, was a hotel worker. Two other nearby neighbors, bought their house in 1959 and all of these people bought their house after pushing back segregation. This husband and wife nurtured 10 children through Rudolph Elementary School, college and other successes with the husband working as a taxi driver, a letter carrier, as my father did, and other jobs when necessary. These neighbors would be priced out. As a union lawyer, I would struggle to buy where I live now.

Contrary to managed representations that inclusionary zoning prevents program participants from realizing the American dream of moving up and out of a neighborhood, settling in a safe, attractive neighborhood like Petworth facilitates these families in achieving their dreams. Having affordable, liveable communities in Petworth helped them build and grow their lives. And studies show that desirable community conditions dictate stability.

A 2004 report from the Greater Minnesota Housing Fund found insecure housing and frequent mobility have been shown to result in frequent absences and poorer school performance. In 1994, a federal GAO study found that residential changes experienced by

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students primarily caused by housing system triggered damaging educational moves.

Home ownership brings stability to families and their communities and Petworth used that stability to create a wonderful community.

CHAIRPERSON MITTEN: Can you summarize for us? We have the rest of your written testimony. Give us a closing thought.

MS. BOWSER: We believe in ANC-4D that the families who have built and continue to serve the District should have affordable housing for rent and purchase so they can continue to live in the District.

And I have a study that shows that if mandatory inclusionary zoning had been in the 100 largest metropolitan areas, the 30 million housing units that were built over the past 20 years, there would have been 3.6 million affordable units. And so the American dream is being able to afford where you live and be able to build a community, nurture your children and bring up a household and not moving up and out to the suburbs.

CHAIRPERSON MITTEN: Thank you. Any questions for this panel?

Thank you all for your testimony.

Alex Hogan, Mark Dubick, Brian Barlia, Mackenzie Baris, Amy Caswell, Roberta Hantgan. Okay, I've got Mackenzie Baris, is that you? Last call for Mackenzie. I think we've got everybody.

Mr. Hogan.

MR. HOGAN: Members of the Commission, thank you for the opportunity to speak this evening. My name is Alexander Hogan and I'm an Advisory Neighborhood Commissioner for Single Member District 1A03. The Advisory Neighborhood Commission I serve on 1A serves the neighborhood of Columbia Heights in Ward 1.

At our July 13th meeting, we voted unanimously to urge D.C. Zoning Commission to adopt a text amendment in Case 04-33 and to adopt mandatory inclusionary zoning for the District of Columbia.

My Commission was unaware that we needed to vote for me to be an official representative for our ANC, but however, I am representing the views of our Commission on this.

I'm here today to explain our vote and I would encourage the D.C. Zoning Commission to quickly implement mandatory inclusionary zoning throughout the District.

For Columbia Heights, our neighborhood, the

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problem of affordable housing for residents is perhaps felt more strongly than almost any other part of the city.

Like most of the city, our neighborhood is undergoing a real urban renaissance, a brand new development is revitalizing our neighborhood. The influx and change has clearly been to the betterment of the entire neighborhood and also the city. However, there's enormous concern among our Commission about whether the booming real estate market and rising real estate prices will end up excluding many of our long-time residents and of destroying the diversity we all see as a vital part of the fabric of our neighborhood.

I realize you're not accepting testimony about specific neighborhood issues, however, just to add that the problems of the affordable housing crisis that's hitting D.C. is hitting our neighborhood and our constituents perhaps doubly so. For a lot of our residents, a lot of our constituents, they can no longer afford to remain in the neighborhood that their parents lived in, that their grandparents lived in.

For myself personally, compared to the prices of a lot of new housing, as a public school teacher with a master's degree, I am effectively priced out of

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Columbia Heights at this point in buying new housing. So it's a major issue that our Commission -- it's a crisis and it's doubly a crisis for our neighborhood.

Advisory Neighborhood Commission 1A has worked with developers in making sure that they've set aside certain percentage of new housing stock for low and middle-level income residents. However, I feel and our Commission feels that localized agreements with developers based only on verbal agreements and good word is not enough.

Preserving neighborhood diversity and guaranteeing D.C.'s revival lifts up every resident should be the city's priority and policy, not just a gesture of good will tacked on to an end of an agreement.

Both long-term residents and new comers cherish our neighborhoods and the city's diversity and vibrancy and do not want to see it extinguished through the effective pricing out of many of our neighbors.

Mandatory inclusionary zoning is a big step in making sure that it won't. Due to the great aspects of our city, D.C. will continue to be a magnet for new investors and residents who I'm sure will understand and support the D.C. belief which you can express, your

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Board can express by supporting this amendment that growth shouldn't mean displacement and that the District of Columbia belongs to all its residents.

Thank you for your time and your consideration.

CHAIRPERSON MITTEN: Thank you, Mr. Hogan.
Mr. Barlia.

MR. BARLIA: I'll be brief. My name is Brian Barlia. I'm owner of Peak Development, a D.C.-based development firm focused on the development of affordable and market-rate housing. Since 1987, we have been directly involved in the production, either through substantial rehab or new construction of 350 for-sale units and over 1,000 rental units. Since 1998, we have specialized and concentrated on mixed income and affordable housing, and currently have five communities totalling 485 units that are 100 percent affordable to individuals at or below 60 percent of median income.

I'm here today to express my concern that the current mandatory IZ petition that will include projects that are being developed solely for the production of affordable housing and fall under the requirements of such federal and local programs as low-

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income housing tax credit program, the Housing Production Trust Fund, GBDG, DHCD, or other such programs.

As a small entrepreneurial company that is in the business of producing affordable housing in the District, I can say that we don't need any additional zoning requirements to further complicate an already overly complex and expensive process.

Any additional cost that would be incurred for additional legal opinions, certifications, compliance and reporting, lender due diligence and other less obvious items, will only serve to reduce economics for both the provider and the residents.

You're very lucky here in the District of Columbia to have many talented for profit and nonprofit developers, local, regional and national, all working here in the District to produce affordable housing.

I am sure that my colleagues will agree that additional requirements are not what the affordable housing sector of the market needs to enhance the delivery of affordable units. It seems unnecessary to burden a project that already has regulatory requirements or IRS code requirements to meet or exceed mandatory IZ program requirements.

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On its face, the overlay of these projects will only serve to make the mandatory IZ and projects already programmed to meet or exceed other affordable housing requirements would only serve to make very difficult to accurately assess the benefits of such a program.

I want to thank the Commission for their time and hope you will consider the testimony given here today, along with my colleagues before you finalize the ultimate and legislative zoning requirement that will impact and change our industry for the future.

Thank you.

CHAIRPERSON MITTEN: Thank you.

Ms. Baris.

MS. BARIS: Thank you. My name is Mackenzie Baris. I live at 232 Parker Street, Northeast in the near northeast neighborhood in Ward 6. Thank you for the opportunity to testify tonight. I'm here to support the Campaign for Mandatory Inclusionary Zoning's proposal. My father moved to the District eight years ago and I joined him here four years ago. I was drawn to D.C. because of the diverse neighborhoods and walkable dense neighborhoods. I love living and working here and I hope to be able to build

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my life here, buy a home, raise children, send them to public schools and be active in my community.

I'd also like for my father when he retires to be able to remain close by in the city, even on a fixed income. My experiences so far give me cause to worry that these thing are not going to be possible in the city right now.

As a young person starting my career, it's been extremely difficult to find affordable rental housing and buying a home is completely out of the question.

Each day in my own neighborhood and those of my friends, I see housing being built that I could never hope to live in. I believe a mandatory inclusionary zoning policy is an important part of a solution to our current housing crisis. The government and nonprofits shouldn't have to shoulder the entire burden of creating and preserving affordable housing.

Mandatory inclusionary zoning provides a way for private developers to also contribute. Inclusionary zoning will produce affordable housing for moderate income people like myself, as well as for lower income workers who are even more squeezed by the

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housing crisis and will allow us to both live together in the same neighborhood.

In order for inclusionary zoning to create these vibrant and diverse communities the affordable housing must be constructed on site. This is the only way to get affordable housing into expensive neighborhoods to make sure that neighborhoods are stable. To include affordable housing for future generations, it's also important that there are affordability control periods.

It's reasonable to keep owner-occupied units affordable for 20 years and rental units affordable for 50 years. As a prospective home buyer, I would be happy with those conditions and the conditions of equity sharing if it meant that I could actually buy a home.

We also want to encourage people to invest in and help build communities, not to quickly sell for a profit. We should make sure that neighborhoods stay affordable for the long term so that they remain diverse and so that there is room for friends and families to build a community together.

I believe the Campaign for Mandatory Inclusionary Zoning's proposal will help create the

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city I want to live in and urge you to adopt this policy.

Thank you.

CHAIRPERSON MITTEN: Thank you. Ms. Hantgan.

MS. HANTGAN: Good evening. My name is Roberta Hantgan and I live at 1741 Johnson Avenue, Northwest. I'm here wearing three hats tonight. First as a citizen of D.C. I know that I am one of the fortunate ones, because I bought a condo years ago with a friend and because of that initial investment I am now able to own my own condo. But I look around at many of my Ward 2 neighbors who are renting in Section 8 housing, who are homeless or who work for nonprofits or who teach or police, and I know that ownership in my city is not an option for them today and I feel this is unjust.

I also work for the National Education Association. We represent millions of public school educators nationwide. And many of our constituents are not paid enough to live in the communities where they teach. Besides the negative impact on the teacher, this is a tragedy for the communities they serve because when a child sees a teacher living in their neighborhood, they know that the teacher is truly

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invested in them and their community and their parents know it also.

Finally, I'm a member of Jews United for Justice. We work in coalition with local organizations who believe that justice and equity and equal opportunity are traits that should be embodied in the law that govern this city.

I have points tonight and I'll be brief. The bottom line is that we need affordable units. We need to ensure that our city's IZ policy is one that helps these units to be built, rather than helping developers opt out of building them.

Secondly, our policy should also serve as many low-income families as feasible. And by low-income, I mean households that make less than 50 percent AMI. The Office of Planning proposal does not serve this constituency in high rise developments.

Thirdly, we need an IZ policy that models the successes of other jurisdictions. We know that a unit set aside approach is the one that's used in most locales and based on collective national experience, this approach also seems to be easier to evaluate, monitor and enforce once development is built.

Fourth, we need a consistence policy that

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clearly lays out the IZ requirements and gives less, rather than more discretion to the developers in defining the terms of the requirements and that causes developers to build more and not fewer affordable units.

And my final point is this, to those folks who have stated already that mandatory inclusionary zoning will only produce 3,000 to 5,000 affordable units over the next 10 years, I say these are units that will not be built without this program and these units represent working families and they represent hope. And they mean that our city does not simply reserve housing opportunity for the wealthy.

I would be proud to sit here in 10 years knowing that there are 5,000 more families contributing to and enjoying the fruits of our city because of our efforts today.

CHAIRPERSON MITTEN: Thank you. Any questions for this panel?

Mr. Barlia, I had a question for you which is do you -- I understand your issue about not duplicating, not piling on with the project that already has an affordable component to it. Do you have an opinion on the merits of the proposals for mandatory

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inclusionary zoning for projects that don't otherwise have an affordable component, being a developer and all?

MR. BARLIA: I do have an opinion. I haven't looked at it from that perspective. What we do is we provide mostly mixed income. We're mostly a mixed income housing provider already. So in most of our projects, there is an affordable component already, so we've done both. We do very little street market rate housing.

CHAIRPERSON MITTEN: Right.

MR. BARLIA: I understand. So my perspective, I think it's a good thing. I think that in certain instances you can make it work. I think you can do it through the PUD program as well. I haven't studied it from that perspective, but I believe that there are ways to increase affordable housing.

I would not hope that you would help burden a project that is already slated or solely being developed for affordable housing to further complicate that already complex issue.

CHAIRPERSON MITTEN: I actually think you have kind of a unique perspective because you're always confronted with what -- how to make the project work

with the affordable component and that's what we're struggling with as we listen to the development community react as we try and understand the Campaign's proposal versus the Office of Planning's proposal and you have a unique perspective of somebody who struggles with that all the time.

MR. BARLIA: We like to follow that middle road and do mixed income and that's really why we're focused on that area of development. We believe in affordable housing.

CHAIRPERSON MITTEN: I'm trying to draw you out a little more and you clearly don't want to be drawn out.

MR. BARLIA: Maybe we can have that discussion off the record.

CHAIRPERSON MITTEN: We have to make our decisions on the record.

MR. HILDEBRAND: The thing that I find interesting though is that you're able to make it work without the incentive, without the additional bonus. You're able to make the package work, so how does that weigh against developers who are saying that even with the bonus they can't make it work?

MR. BARLIA: That's a question that goes to

market factors and most of our mixed income housing, we have been working on either joint developments with the municipality or some sort of an institutional owner of the ground that has contributed some value in order to allow to help underwrite that affordable component.

So it's slightly different than a straight market rate force condition.

MR. HILDEBRAND: Right.

MR. BARLIA: Our affordable housing, our projects that are strictly affordable, they are 100 percent of the units in our housing that are set aside affordable are all affordable and those are all maintaining existing housing stock in the District of Columbia. And I think there is certainly more of that to be done in the District and again, I'm really here to stress that I think making that process more complicated for the people that are doing that today, that are taking existing properties and maintaining their affordability, to further burden them with any sort of additional legislation, I think would be problematic and I would hope you would consider that when finalizing IZ.

MR. JEFFRIES: I guess my question because one of your projects is on my block and what percentage

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of that project is affordable?

MR. BARLIA: I believe is 23 percent and I don't remember the exact. I believe it's more than 20.

MR. JEFFRIES: So you have two projects in Columbia Heights that you purchased from NCRC.

MR. BARLIA: Correct.

MR. JEFFRIES: Which somehow gave some level of discount to the land. I don't know, you might not think it was much of a discount, but that really helped sort of underwrite some of the affordability.

MR. BARLIA: Correct.

MR. JEFFRIES: So my question how many other -- are there privately-held sites that Peak Development is actually trying to develop where they have affordable component?

MR. BARLIA: Yes.

MR. JEFFRIES: That's the one that we want to talk about.

MR. BARLIA: Well, I say it with a caveat because it was -- I can't disclosure rate --

MR. JEFFRIES: I didn't ask --

MR. BARLIA: But there was a component of city participation.

MR. JEFFRIES: Okay, thank you.

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CHAIRPERSON MITTEN: Thank you. And if you have any -- we have some written testimony from some folks, but if you have any written testimony --

MR. BARLIA: I'll be happy to provide it.

CHAIRPERSON MITTEN: Okay.

MR. JEFFRIES: In fact, I would really strongly encourage you, I think it could be very, very helpful to us. I was thinking about that project the other day, based on my block and it's really important that -- I think it would be very helpful to us for that information.

MR. BARLIA: Not a problem.

CHAIRPERSON MITTEN: Thanks, folks. Okay, Laura Kumin, Kerry Sylvia, Eli Staub, Reverend Vernon Shannon, Rabbi Manewith, Reverend Glenn Hoburg. Sorry. We'll get Reverend Hoburg on the next round.

Ms. Kumin, please go ahead.

MS. KUMIN: Good evening. My name is Laura Kumin. I've lived in D.C. for 28 years and have lived at my present address 3620 Kanawha Street, N.W. in Ward 3 since 1983. I'm testifying in support of the Campaign's proposal for mandatory inclusionary zoning.

Since I've lived in D.C., I've watched the housing market make neighborhoods, including my own,

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less diverse. Those with smaller incomes are forced to move out or never get to move in as rents, housing prices and property taxes soar.

It's not good for those people. It's not good for the District and it's not good for those of us who were lucky enough to have moved in before the housing market took off.

All of us benefit from living in economically diverse neighborhoods. I support the Commission's proposal as a reasonable means to create and preserve affordable housing throughout D.C.

I live near a vacant lot on Connecticut Avenue between Kanawah Street and Military Road, one of the few vacant lots left in Chevy Chase-D.C. that would be suitable for multi-family housing. Like others in my neighborhood, I'm concerned about what may be built there. I hope that if and when a building goes up on that lot, it will have units that are affordable to the Metro bus drivers, grocery clerks, waiters, sales people and others who work in D.C., but who cannot afford the rents and condo prices that now prevail in my neighborhood.

New development represents opportunities to serve the needs of the community as well as that of the

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private market. My husband and I want to see the values of affordability, economic integration and long-term stability embodied in developments that are built in our neighborhood.

My family belongs to Temple Sinai and we're proud that our senior Rabbi is among the clergy who have signed the statement of support for the Campaign's proposal. We have the right kind of leadership on this issue and we're pleased to follow his lead in publicly expressing our support of the Campaign's proposal.

While I speak only for myself at this hearing, I know that my views are shared by many. As the chair of the Temple Sinai Critical Issues Committee, I've become involved in a network of Temple Social Action Committees called At One. The At One network has made affordable housing its number one priority over the past year and in D.C. that means working for mandatory inclusionary zoning.

I'm also a board member of Sinai Assisted Housing Foundation, a nonprofit started by Temple Sinai members over a decade ago. Sinai House provides housing and social services to formerly homeless families. Our program and the two to three years that residents spend living in Sinai House furnished

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apartments in Shaw, prepare them to become independent, stable, productive members of the community.

I've seen our graduates come through programs with skills, a decent job and new found confidence in their ability to improve their lives and the future for their families, only to find that they cannot find suitable housing in D.C.

CHAIRMAN MITTEN: I need you to give us your closing thought.

MS. KUMIN: Okay, it's not right and we can do something about that. The Campaign's proposal is not a cure-all, but it will help. Thank you very much.

CHAIRMAN MITTEN: Thank you. Ms. Sylvia.

MS. SYLVIA: Good evening. My name is Kerry Sylvia and I'm a resident of D.C. I'm also a public school teacher at Cardozo Senior High School where I have been teaching for six years.

I'm here tonight to urge you to pass a mandatory inclusionary zoning proposal. As a renter in D.C. who has been priced out of the market, I cannot afford to buy in the area where I'm currently living. I live in Petworth, about a 20-minute walk from Cardozo. I would like to remain in the neighborhood because of the benefits I've experienced as a teacher

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living in close proximity to my work place.

Because I live in a neighborhood where many of my students are from, I am more connected to them and to the community. When I take the bus to school, I often run into students which provides an opportunity for informal conversations on class work, school events and other issues.

I also run into students and their parents on weekends, again, allowing me to talk informally about different things. This past school year, a student of mine who lives on my street had frequent absences. I was able to stop by his house and even talk to him near the basketball courts down the street. He shared with me some difficult experiences he was going through which was causing his absences. I don't know if he would have shared that with me under different circumstances.

In addition, being so close to school provides an easier commute. Some teachers who have long commutes from Maryland or Virginia sometimes are late due to traffic or bad weather. Even if it snows a lot, I can get to school relatively easily, whereas some of my colleagues can't make it due to road conditions.

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I want to continue living in the city in my neighborhood, but I also want to buy a house. I don't think I have to choose between the two, especially since I'm a dedicated employee of the District. I don't know what I would do if my rent goes up again. I don't want to leave my neighborhood. If you want good teachers and other public workers to remain working in the city, then we need an affordable housing program that ensures workers the opportunity to live in D.C.

It is not only for the city workers, like myself. We need affordable housing for families, like many of the students at Cardozo. As a result of the gentrification around the school, some of my students have been evicted and others are living in homeless shelters. As a 13-year resident of the city, I believe the community with the help of public officials need to take hold of the reins of the out-of-control development in housing market. We need to create a city that we would like to live in and that meets the needs of the majority of the residents. Right now, that does not exist in D.C. The developers are controlling the city and so much is left to the highest bidder.

The majority of residents, many of whom lived

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in the city through the worst of times are no longer able to afford continuing to live in the city now that services and resources are improving and it's becoming a better place to live.

Inclusionary zoning is a big step in the right direction. It would help facilitate a more integrated city where black, white, and Latinos can live side by side with different income levels. Not only do I want to live next to Cardozo, but I want to live in a diverse and integrated neighborhood.

CHAIRMAN MITTEN: I need your closing thought now.

MS. SYLVIA: When you get ready to vote on this proposal, think about what you want the city to look like in 10 years, a city with pockets of poverty where white residents have displaced black families in many neighborhoods or a truly integrated city of mixed income levels where diversity enriches the fabrics of our communities.

Thank you.

CHAIRMAN MITTEN: Thank you. Mr. Staub?

MR. STAUB: Good evening. My name is Eli Staub and I'm a resident of Ward 2. I've lived in Washington, D.C. in Ward 2 for one year and I'm 23

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years old. I'm also a board member and an active volunteer of Jews United for Justice, a local nonprofit organization that seeks to organize a visible Jewish presence and take actions in local campaigns for social and economic justice in the greater Washington, D.C. area.

It is from these perspectives, particularly the latter, that I wish to speak in favor of the proposal before you from the Campaign for Mandatory Inclusionary Zoning.

Our Jewish tradition places a heavy emphasis on doing acts of [in Hebrew] righteousness, sometimes translated as charity. We were taught to think of rights of righteousness through the metaphor of a ladder with eight rungs, each run representing a ranked category of righteous action. For the most part, what differentiates one rung from the one below it is not the quantity of charity given. We are not measured on how much we are able to give relative to other people.

Rather, what sets each rung of that ladder apart is qualitative where acts of righteousness are measured by the dignity they afford to those who receive our aid.

At the highest rung of this ladder sits the category of righteousness that is not charity at all,

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it's empowerment. Providing a person with the skills, tools or opportunity to self-actualize is considered the highest rung of just action. It is from this teaching that Jews United for Justice has pledged its support and mobilized the Jewish community throughout this city in favor of a robust mandatory inclusionary zoning policy for the District of Columbia.

Providing a struggling family with the opportunity to secure housing at an affordable level, empowers that family to live in greater dignity, with less fear, with more hope. Mandatory inclusionary zoning, done ambitiously, holds the promise of providing shelter for 3,000 to 5,000 D.C. residents and families at affordable levels. That's 3,000 to 5,000 households that can breathe easier, that can save for the future, that can dream bigger, that can play active roles in their communities, that can achieve a level of freedom and empowerment impossible without the security of affordable housing.

Let their hope and aspirations guide you as you decide how rigorous you want the program for mandatory inclusionary zoning to be.

Our tradition teaches more than just how to act righteously as individuals. It provides clear

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guidelines for how to create communities that treat each member as if they were a human being of infinite value. We are inspired by the prophet Isaiah who entreats us to let the oppressed go free to break off every yoke, to share bread with the hungry and to take the poor into our homes. And we are given a simple command by Rabbi Hillel, "do not separate yourself from the community."

We in Jews United for Justice believe that we have deep responsibilities to those with whom we share space and resources and we cannot ignore the troubling economic dynamic that are pushing our teachers and fire fighters, police and nurses, office and service and construction and so many other workers further and further away from the communities that they serve every day.

We cannot separate ourselves from those in our D.C. community who build, clean, care for and ensure the safety of our city. Rather, we must take them into our homes, and in this moment that means ensuring that when we build new apartments and condos, we make affordability a priority in such a way that we bring those members of our community into our buildings and treat them with the respect and honor that they

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deserve.

JUFJ has found that the values I speak of have deep resonance for our members as seen by the strong approval that they have demonstrated for mandatory inclusionary zoning, notably in Wards 2, 3 and 4. We have also found tremendous support from the Jewish community in D.C. for MIZ over the last nine months. Sixteen rabbis, representing different denominations, neighborhoods and Jewish traditions, signed an inter-faith statement of support. Congressional social action committees have rallied behind this proposal as you've heard tonight through jointly planned events as well. All this affirms a Jewish commitment to building a fairer and more inclusive city.

This is why we from Jews United For Justice implore you today to choose the most robust and ambitious inclusionary zoning program possible because each of the units of shelter empowers those who would be able to turn their energies to more ambitious pursuits rather than worry if they'll be forced out of their neighborhoods by rising housing costs.

I, and Jews United For Justice, across the District of Columbia, hope for a city that lives up to

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our highest ideals of inclusion and opportunity for all.

Thank you.

CHAIRMAN MITTEN: Thank you. I wish I had been that articulate at 23.

Rabbi Manewith.

RABBI MANEWITH: Good evening. I'm Rabbi Toby Manewith. I am the Associate Rabbi at Temple Mikah. I live at 4545 Connecticut Avenue in the van Ness neighborhood and serve a congregation in Glover Park. I've lived in the city for six years.

I'm here this evening as a private citizen who both lives and works in the District of Columbia to speak in support of the Campaign for Mandatory Inclusionary Zoning.

Two days ago, I received notice of an 8 percent increase in the rent on my apartment for the coming year. I know that it will be difficult for me to meet this burden. Over the past few days I've thought a lot about the affordability of some of the nearby suburbs, but I'm committed to city life. I enjoy joking with the proprietor of the neighborhood Chinese restaurant and feel fortunate that the neighborhood seamstress knows my name. I love that the

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clerks at the bookstore/coffee shop know what each of their young customers is reading. So I will make the sacrifices necessary to remain here. I'm

fortunate to be able to make this choice. Many of those I spoke about, the restaurateur, the seamstress, the barista are not able to make the choice I made.

The present housing market in the District has forced them to look for affordable housing elsewhere. All of those I mentioned have been good neighbors at their places of business. A mandatory inclusionary zoning policy will allow these low and middle income wage earners, as well as others like them, to become true neighbors, to live in the city in which they work and experience, as I do, all the city has to offer.

These prospective renters and home owners are not the only community members that stand to gain. The current residents stand to gain by guaranteeing that owner/occupied affordable units remain affordable. We will gain because through daily living they'll learn about the community in which they serve and therefore be able to serve it better.

According to Jewish law, members of the community are commanded to provide housing for those in

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need. In the Biblical book of Leviticus we read "and if your neighbor becomes poor and his means fail him, then you shall strengthen him, be he a stranger or a settler, he shall live with you."

Not only do we need to find housing for those in need, but the text suggests that we need to find this housing in our midst. Whether this person is of similar ethnic, religious or socio-economic background matters little. Stranger or settler, the Bible says he shall live with you. An inclusionary zoning policy will allow for just such vibrant, multi-racial communities with socio-economic diversity envisioned in Leviticus.

The Jewish community holds the idea of affordable housing as such a high value that it allows for communal needs be disregarded until the needs of the individuals are met. The Book of the Pious, a 12th century work suggests if the community lacked a synagogue and a shelter for the poor, it was first obligated to build a shelter for the poor.

CHAIRMAN MITTEN: I need you to give us your closing thoughts.

RABBI MANEWITH: The prophet Isaiah suggests if you put an end to oppression, if you give food to

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the hungry and satisfy those who are in need, then darkness around you will turn to the brightness of noon. Our nation's capital is often described as a beacon of hope and freedom in a dark world. A mandatory inclusionary zoning policy will allow this beacon city to shine with the brightness of noon.

Thank you.

CHAIRMAN MITTEN: Thank you. Any questions for this panel? Thank you all for taking the time.

Reverend Hoburg, Rabbi Ben Biber, Imam Johari Abdul-Malik, Donald Person, Barbara Zartman, Dan Emerine, Laura Richards, Allison Prince.

Reverend Hoburg, why don't you go ahead?

REV. HOBURG: Thank you. Good evening. My name is Glenn Hoburg. I live at 208 10th Street, N.E., on Capitol Hill. And I'm here to speak in support of the Campaign for Inclusionary Zoning.

My family moved to Washington, D.C. about two years ago from Boston and we came to start a new church in the city. That church has grown rapidly because it reflects the changing demographic of Washington, D.C. It's made up of young, urban professionals. It's about 85 percent single. The average age is about 27. So my reference point is a community of gentrifiers.

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Typically, this demographic approaches the city as consumers. D.C. is a place to work and enjoy night life, traveling from the Hill to Adams Morgan. Urban renewal is equated in terms of new amenities, a new restaurant, a new Starbucks, new baseball. And this is a real temptation to use the city rather than to serve it.

Our religious community has come under the conviction that our leader won't let us do that. He came to serve, not to be served, to give his life, not to steal life from people. Nor did his global national concern ever compromise his local concern. And this is particularly relevant in this city where many people have national, global aspirations. We say in our community, it's just not enough to walk by your neighborhood on the way to the Capitol to work. Christians aren't allowed to use the city. They're explicitly called to serve it. As the Prophet Jeremiah said, "seek the welfare of the city, for in its welfare you will find your welfare."

So we feel a call to seek prosperity of Christian and non-Christian, of rich and poor and of all ethnicities and races and we begin to ask different questions like I wonder who owned that store for the

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last 10 to 15 years before the new restaurant moved in?

I wonder how the long-time residents feel about its loss? I wonder what it's like for this family that had a history in this neighborhood who no longer can afford a history in the neighborhood?

I realize that gentrification is viewed by some as the solution and others as a problem. I guess it's both. But I'm mostly concerned about contributing to the problem, about how buying my home has driven up the property tax of people that bought their homes 60 years ago and now can't afford to live there.

I made the choice to live here. I'm concerned about those for whom there is no choice.

I know myself to have a great proclivity towards self-centeredness. If my family is happy, then I'm happy. But my faith calls me beyond that. It calls me to enter into the emotional shoes of my neighbor, the person who is forced to move with little options and all of a sudden renewal to me looks ugly and sad.

I live in an area that's gentrifying rapidly and quietly. In fact, the silence is unnerving. I don't know where the old neighbors have gone or had to go. Perhaps I wasn't listening or perhaps they just

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gave up strength in talking.

I dread the day when my neighborhood will be a bunch of people like me. At that point my children lose their adopted neighborhood grandparents, their opportunity to see that their God is bigger than their race. I lose my history teachers and advisors on how to avoid getting my car stolen or my car ticketed.

(Laughter.)

And so I'm very grateful for these hearings and I'm grateful for your work. I don't think the answer is that some should have to move out or others cannot move in. I think both of us should have the opportunity to stay which I feel many of them do not.

Thank you.

CHAIRMAN MITTEN: Thank you, Reverend. Ms. Zartman?

MS. ZARTMAN: Good evening. My name is Barbara Zartman and I'm the chairman of the Committee of 100 on the Federal City and I would love more than anything to be talking tonight about how we can encourage the better angels to be with us as we try to find our way through the problem of providing affordable housing to the residents of the city and those who would like to be residents of the city.

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Sadly, my role tonight is to help point out some of the bureaucratic and administrative problems that are attendant to the proposals that are before you because we think that they are very real and that they seriously affect the ability to achieve this wonderful goal of providing housing to those who genuinely need it and who will enrich the city by being here among us.

And so I'd like to distill our concerns and we'll provide you with a detailed statement to follow.

This is the wrong time. Boy, talk about bureaucracy. We're reviewing the comprehensive plan, rewriting fundamental guarantees about the use of land in the city of Washington, D.C.

That process is midway, I think adopting sweeping changes to zoning at the time you're redoing your comprehensive plan, your constitution, your bedrock for development in the city, is not productive.

I think it is better to wait for the completion of that process, the completion of small area plans. If my colleagues who are part of that effort have one complaint, it's that too often there are sweeping one-size fits all proposals being offered instead of things that clearly reflect wonderful diversity of our neighborhoods, their needs, their people, their

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problems, their state of development and so on.

I would also suggest that elements of the proposal, whether it's OP or the coalitions are inconsistent with the comprehensive plan and we all are fully aware of what the consequences are there. There are zoning standards that Laura will provide separate testimony about that are problematic with the proposals before you.

Just to point out some of the most obvious, IZ proposals can serve to diminish adequate light, air and open space and contribute to undue concentrations of population and the over-crowding of land in contradiction of the basic requirements of the Zoning Act and regulations.

Zoning regulations and maps are required to be designed with consideration of the character, respective districts, suitability of each district with uses permitted, encouragement of the stability of district and of land values in the districts. Those are things that you have to find your way around if you are to consider a detailed inclusionary zoning proposal.

The fact that you're talking about a floating single mandatory bonus zone that will have to be

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applied uniformly, once the combined text and mapping case is accomplished, there would thereafter be no opportunity for hearings on individual areas to which the proposal would be applied, except for the limited special circumstances OP has outlined when the developer can't even comply with the base proposal for providing affordable units.

Historic preservation standards which in one proposal are to be affected, limited, excepted. We believe absolutely those have to be protected, that inclusionary zoning standards would have to be subsidiary to those preservation standards, depending on whose analysis you're looking at. It's 10 to 20 percent of the potential inclusionary zoning areas would include landmarks and historic districts.

These areas contribute so significantly to both the character, the tourism value, the value of our neighborhoods that we believe making the preservation standards subsidiary to these higher densities would not be productive.

The proposal for OP's program is incredibly cumbersome and opaque. The argument about it being less expansive than PUDs is irrelevant. PUDs are voluntary. They're negotiated. That's a public

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process that everybody participates in. OP presumes that all of the projects under an inclusionary zoning would be negotiated and that's going to require an incredible bureaucracy. Every single project will have to be negotiated. Not some. Not those who want to be part of it.

The burden on the system will be huge. That will add a cost from the developers as well as from the District of a very, very heavy administrative burden. That will be a hidden cost in the price of each of these units.

Other options exist. The District has the option of forgiving some or all of real property taxes.

What better way to subsidize the availability of housing for targeted populations?

CHAIRMAN MITTEN: Can you give us your closing thought, please?

MS. ZARTMAN: I would strongly encourage that you not adopt these proposals now, that you put them on the back burner until both the comprehensive plan process and the parallel review of the zoning regulations can be dealt with so that the benefits you are trying to achieve can be adopted in a way that strengthens and doesn't weaken strong traditional

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neighborhoods that are the backbone of strength in the city. Find other ways, including some that will suggest for you to provide more affordable housing for the people who very much want it without harming the neighborhoods that we want to preserve.

CHAIRMAN MITTEN: Thank you. Mr. Emerine? Did I say that right?

MR. EMERINE: Emerine.

CHAIRMAN MITTEN: Emerine, okay.

MR. EMERINE: Thank you. Good evening and thank you for the opportunity to testify. My name is Dan Emerine and I am a resident of Brookland. I've been a resident of the District for six years. I'm here today to testify on behalf of the Sierra Club in support of the Campaign for Mandatory Inclusionary Zoning's proposal for inclusionary zoning in the District.

The Sierra Club is the nation's largest grass roots environmental organization with 300,000 members in the U.S. and more than 3,000 members in the District. I'm here today to represent the Club's D.C. Chapter.

As I said, the Sierra Club is an environmental organization, so why are we speaking out

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about an affordable housing policy? Simply this, inclusionary zoning makes good environmental sense for the District and for the Washington region.

Inclusionary zoning will keep affordable housing in the District instead of forcing working families to search for homes in the suburbs. Every time a teacher, construction worker, or fire fighter is forced to live outside the city because they are unable to find housing in their price range, it puts more cars on the region's roads, both congesting the highways and polluting the air.

The Washington, D.C. metropolitan area currently does not meet federal standards for healthy air. By providing families with the opportunity to live closer to their places of work we can help reduce vehicle emissions that harm our health.

Finally, increasing the supply of affordable housing of the District, the heart of our metropolitan region, decreases the pressure to build new housing on the fringe. Scientists have identified the low-density, sprawling patterns of development as the major threat to the health of our streams and rivers and to the Chesapeake Bay. By encouraging new affordable housing in the District, we can play a stronger part in

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reversing this harmful trend.

The CMIZ proposal is particularly effective at mitigating the effects of sprawl and providing people with transportation options because many of the newly built affordable homes would be built in pedestrian-friendly locations near our Metro rail stations.

The Metro rail system represents an investment of more than \$10 billion by the people of this region and it would be wise to use it effectively.

By encouraging new development take place near our Metro rail stations, we could provide people with the opportunity to take care of their daily needs, get to work, shop, visit with neighbors and play, without ever having to get into a car.

Many of our Metro rail stations are already situated in neighborhoods with walkable, bikable streets, with convenient Metro bus access, providing even more options. For those stations currently under served by such high quality infrastructure, the increased activity encouraged by an IZ policy could provide the impetus for neighborhood improvements.

It should be noted, by the way, that the density bonuses provided to developers under this

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proposal which we view as fair compensation for their participation in making the city more affordable are consistent with the comprehensive plan, I believe, as we encourage the greater diversity of housing in our neighborhoods, we will generate more economic activity for local businesses, helping the city to become the vibrant, livable place envisioned in our city's plan.

I would like to emphasize that the Sierra Club is in full support of the CMIZ proposal for inclusionary zoning. We appreciate the efforts of the Office of Planning to come up with an alternate proposal for the Commission and the public to consider.

However, we believe that the CMIZ proposal is a more workable solution for the District. It is easier to administer, fairer to developers and will provide more affordable units at a deeper level of affordability to the people who need it the most.

For example, the Office of Planning proposal suggests that the number of affordable units set aside be based on the formula linked to the square footage of the market units. This would be difficult to administer, difficult to ensure compliance and potentially produce fewer units for which there is the greatest need. The CMIZ proposal, in contrast, is

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based on the simple percentage of the number of market rate units.

We're also concerned that the IZ proposal adopted by the Zoning Commission should reach the greatest level of a financial need achievable. The CMIZ proposal does this admirably.

The CMIZ proposal also requires construction of affordable units on site. This is critically important to creating mixed income communities. Mixed income communities are healthy, more socially just and help us to maintain the kind of diverse neighborhoods we are so proud of in this city.

I will end by saying that the CMIZ proposal is notable for its careful crafting, based on sound policy rationale and research conducted in the dozens of communities across the U.S. that have adopted such policies.

The proposal draws lessons from the experience of these communities including one of the national trailblazers in this area, Montgomery County.

We have nearly three decades of experience to draw from and it would be tragic if we failed to take advantage of that wealth of information.

This gives us an opportunity to become a

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national leader in adopting leading edge affordable housing policy befitting our place as the nation's capital.

The Sierra Club strongly endorses the Campaign's proposal as an important part of this city's efforts to create affordable, diverse, vibrant neighborhoods.

We support this proposal, not only for the benefits that it brings to working families in the District, but also for the benefits it will bring to all of us to reduce driving, increase transit use in restoring the core of our region.

Thank you.

CHAIRMAN MITTEN: Thank you, Mr. Emerine.

Ms. Prince.

MS. PRINCE: Good evening, Chairman Mitten and Members of the Commission. I'm Allison Prince of Pilsbury Winthrop Shaw Pittman. I reside in Chevy Chase, D.C. I'm a 25-year resident of the District. I'm a past president of the Jubilee Support Alliance which is the fund raising arm of Jubilee Housing. I've done extensive, extensive pro bono work over the past two decades on behalf of affordable housing providers.

I'd like to begin with some observations

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about the effect of your consideration of this proposal on the climate for residential development in the District now. Prior to the initiation of the IZ proposal, I fielded inquiries and so did many of my colleagues regarding sites all over the city, commercially and residentially zoned, from developers who were considering residential development. In recent years, these have included sites east of the river on Georgia Avenue, in Southwest, in Ward 3, literally all over.

It's been thrilling to see interest in Georgia Avenue and Petworth, in particular, areas that I did know and work in for the first 18 years of my practice.

Once the IZ proposal came a reality, however, several developers, particularly out of town developers advised me that they would now only consider sites in the downtown development district. Now why is that? That's because the DD was clearly by all measures to be exempt from the effects of IZ, at least until 2008.

I'm also familiar with a huge national residential developer who walked away from a 2,000-unit project on a property located in the high density, commercial zone because of its concerns over

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inclusionary zoning. The delicate balance that favored residential use on a purely commercial property was upset by the potential for mandatory affordable housing on the site.

Having said all that, I know you feel compelled to act, even if the tool is not perfect. And I would argue it's not the right tool. I would argue it's like giving chemotherapy to someone with a broken bone. It's not going to help that much and it's going to do a lot more damage than help. But assuming that you're intent upon adopting this tool, let's talk about minimizing the most extreme impacts.

The most critical concern is the need to vest projects that are in the pipeline under the regulations that are in effect now. Pending PUD applications, pending BZA applications, they must be exempt. These owners have invested considerable time and money in their projects. They've purchased land under a scenario that did not contemplate inclusionary zoning and they must be protected or there will be a severe chilling effect on the entire residential climate in the District.

Further, if the traditional vesting rule is not waived or a clear effective date is not established

on such that residential projects can proceed while the mapping case is under consideration, there will be horrendous effects. The single most damaging thing that you could do is to set down the mapping case under the traditional vesting rule. I couldn't imagine a more damaging step to the residential climate in the District.

I'd like to present a scenario that's oversimplified, but it may help address your concerns that you have missed the boat by not adopting a mandatory scheme sooner. Let's assume that IZ was in place five years ago. Twelve thousand housing units were built. Let's say half of those were located were in mandatory affordability zones and fully 10 percent were required to be affordable. That's 600 units. But many of those units were affordable. Many of them were produced on NCRC projects, as the result of PUDs, as a result of alley-closing linkage and also as a result of the fact that in some neighborhoods market is affordable.

A project I just worked on in Anacostia, 100 percent affordable units, 60 units. It's affordable, but it's market rate in that neighborhood which is a good thing.

So in our quest to not loose those affordable

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units because you think that you'll lose 300 units under that earlier scenario, what will the effect be? I fear that the effect will be that the large property owners that are so key to releasing development sites in the emerging neighborhoods are going to stand tight, wait. Why wouldn't they wait? Their property is commercially zoned. They'll wait out a bad market. They'll wait out a regulatory change. And if these large sites don't come into play as they have in recent years because of the active market, everyone loses. We don't get any housing. And many of these large sites have been PUD projects that have an affordability component. So it's not a question -- it's a question of getting no housing, versus housing with some affordable units. And I think you really need to be aware of that.

One final point. I've done this for 20 years. I'm going to keep doing it. We'll go through a period of adjustment, understanding and interpretation if you adopt it. We'll try to get staff to be able to manage it. I'm not optimistic. There will be a decline in property values, but most important, there will be a tipping of the delicate balance that now miraculously favors residential development over

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commercial on some commercial sites.

Thank you.

CHAIRMAN MITTEN: Thank you. Any questions for this panel? Any questions?

Ms. Prince, I have a question for you. And it's probably not fair to ask you, but you just sort of inspired it in me. I could have asked it of any of the developers.

We're hearing a lot of reaction that suggests that we can't -- that we can't do this right. We're going to run down property values. We're going to wreck the market. I mean I would -- is there no way to do this right? We're just doomed to failure?

MS. PRINCE: No. I mean obviously, there's got to be a way to do it.

CHAIRMAN MITTEN: Well, hopefully, someone will tell us what that is, if they don't think --

MS. PRINCE: What jumps out at me immediately is to exempt commercially zoned property. Because a commercially zoned site always has the opportunity to go all commercial. So if you make it so disadvantageous to do residential, it's not like that property owner doesn't have options.

CHAIRMAN MITTEN: But again, the underlying

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assumption of the statement that you just made is that we can't -- that we can't find the balance between the bonus and the burden that we would create. That's a premise of the statement that you just made. And what would be helpful is if the development community could say -- we did hear from one developer -- and I just don't remember who said it -- on Monday, well, you don't have the proportions right. You don't have -- you just don't have the proportions right. Well, that's kind of information that's much more useful than just having a baseline assumption that we're just going to run down the value of residential -- of the residential component, which is what you just suggested.

MS. PRINCE: I'm not saying that there isn't some level of affordability that would be workable in all projects at some level, assuming that the bonus density worked, assuming all the other factors worked.

But these discussions have been going on for months and in the discussions between the development community and the advocates of the proposal, we're fighting on a battlefield where I don't believe we're really in the ballpark. I don't believe that 50 percent of the bonus density is really in the ballpark

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from what I'm hearing from the people that I represent who are more than willing to do affordable housing under the system that's been in place. They're doing PUDs anyway. The PUD process is not a daunting process to these developers. They believe in the process. It works. It gets them what they want. It's win-win. They're willing to hire the architects necessary to get the projects to be at the level of design that they need to be. They get the bonus density. They do a level of affordability, 15 percent of the bonus has been the rule of thumb for the past several years and everything works.

But when we start talking about getting it at a level of affordability that's not 15 percent of the bonus and when the bonus is not 30 percent or 35 percent, the way it is in many PUDs, but 20 percent, that's when it starts to fall apart.

So if you're asking me am I going to get consensus from the development community of what they can live with, probably not. But at something substantially less, substantially less than what's being proposed, and you can just look from the evidence of the PUDs that have been proposed, that have been approved to date, that 15 percent of the bonus has been

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found acceptable in many, many PUD applications.

So I think that gives you an idea of where the disparity is.

CHAIRMAN MITTEN: Okay, I would just encourage -- if people have alternative views, rather than suggesting that we clearly are going to damage property values and get this wrong, it would be helpful to know what the other perspective is. I'm saying that to you, but I'm really saying that to the larger group.

Mr. Hood?

VICE CHAIR HOOD: Madam Chair, I just want to ask Ms. Prince, hopefully, you'll provide us with your statement.

MS. PRINCE: Yes.

VICE CHAIR HOOD: Especially -- you brought up a good point, I think, about being predictable, about projects that are in the pipeline. And I want to make sure that when we start deliberating, for one, I remember.

But let me ask you something. Montgomery County, you probably heard some people who had a lot to do with that earlier, and they mentioned some things. That same scenario probably played out and I don't know -- you probably don't know a whole lot about Montgomery

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County, but that same scenario from a developer's project played out there. But you heard testimony here tonight how successful it has been. You want to comment on that?

MS. PRINCE: Sure. We're in the middle of a housing boom in the District of Columbia, no doubt about it. I mean I've been 25 years. Neighborhoods I lived in 25 years ago were right around the corner, supposedly. Well, that was the H Street corridor. And it wasn't right around the corner. It took until now for that neighborhood to really turn around.

And as Steve said so well earlier, this is a fragile housing market. This isn't Montgomery County.

This is the District of Columbia. This is a fragile housing market where people wouldn't build here for decades. The new housing starts in the District only recently have been at the kind of numbers they are. So to compare the District of Columbia with its vast commercially zoned property, and its history, to Montgomery County I think is apples and oranges. I really do.

I think it's terrific that Montgomery County is making its program work. It's taken a lot of tweaking over the years, 20 different modifications to

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the program, I think I heard tonight. I think there is a lot to learn from that, but we have to remind ourselves that we have just a phenomenal little bubble that we're in right now, where I have property owners of office buildings who come to me saying they want to sell them and I get to tell them that the highest and best use for their apartment building is to a residential developer.

That's a wonderful moment in the District when office buildings, like Congressional Quarterly get into an apartment complex. That's a wonderful time and I'm just saying those projects probably aren't producing a lot of affordable units, but would you rather have them as housing projects or office projects? And you have to know that you're going to affect that balance once you impose affordability, because when have we seen that before? When have we seen office buildings convert to apartment buildings? It's incredible. It's fantastic.

VICE CHAIR HOOD: Thank you. Thank you, Madam Chair.

CHAIRMAN MITTEN: Okay, thank you all. Wait one sec, we've got one more.

MR. JEFFRIES: Ms. Prince, I'm sort of

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interested in this whole notion of the commercial districts and you're dealing primarily with office. You're not really -- I mean commercial, you're also retail, that perhaps in some of these situations some of the developers might opt to do retail development?

MS. PRINCE: Absolutely.

MR. JEFFRIES: Well, that's sort of a little complicated because one of the concerns that I've had here in the District and what I hear from a lot of retailers is that there's not enough rooftops. There's not enough density. They need to see more new entrants into D.C., so that they could feel comfortable that they can bring their Ruby Tuesdays or whatever the establishments we're talking about. But if you're saying that you feel that the housing, residential might, in fact, be reduced because of mandatory inclusionary zoning, and that there might be some interest in developers moving to retail, it would seem to me that it would be almost counter-intuitive because if you're seeing a decrease in residential, that's not going to be an attractive thing to the retailers.

MS. PRINCE: I agree.

MR. JEFFRIES: I just wanted to put that out there, that it just seems to be a little, sort of

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counter intuitive that a developer would, in fact, be willing to do retail when, in fact, the residential is actually slowing down.

MS. PRINCE: Or they might just do office. Or they might just wait out the market until the economics are more favorable. Some of the largest sites in the District that you're seeing applications on these days have been ones held by older families for decades. They have a zero basis in the property, essentially, and they literally are shaking loose, they're breaking loose now only, only because of the favorable economics. I mean that's not a fallacy. That's a fact. The economics have gotten to a point where some of these property owners are finally willing to let sites go. Some of them are industrial use. Some of them are warehouses. They're all different kinds of uses and I'm simply saying that if you change those economics, those sites are less likely to break loose. They're likely to stay the way they are. Is it likely that a great residential site is just going to get built with an office building? Probably not. I think it's more likely that it's just going to sit for a while.

MR. JEFFRIES: And so effectively, you think

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the system, through the PUD process, has effectively worked?

MS. PRINCE: It's worked well.

MR. JEFFRIES: And it's working is what you seem to be saying.

MS. PRINCE: Tell me why it's not.

MR. JEFFRIES: Maybe it can be tweaked here or there, but it's effectively working?

MS. PRINCE: We have a great dialogue with the Office of Planning. We shape project amenities the community wants. We negotiate the affordable housing. Everybody knows what we're doing.

MR. JEFFRIES: So is the city just not doing a very good job of talking about the affordable housing it's creating? We've had a lot of compelling testimony here. People are obviously very concerned about reducing affordability and you're saying the system is working?

MS. PRINCE: I'm saying in five years, based on the 12,000 model that was in the OP report, that would have produced, under the most extreme interpretation of the proposal before you, that would have produced or required 600 affordable units and are you going to tell me that 300 haven't been produced in

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the past five years? Absolutely, 300, probably a lot more than 300.

MR. JEFFRIES: But we've lost a lot too.

MS. PRINCE: Well, I --

MR. JEFFRIES: Are you dealing with a net number? I mean what are you --

MS. PRINCE: I think the very significant residential projects that you've seen and the ones that line Massachusetts Avenue and the ones in the H Street corridor, so little residential displacement. When is the last PUD that you saw that produced hundreds of apartment units that involved residential displacement? That's not what's going on right now. It's fantastic. It's a wonderful thing. And I'm just worried about upsetting trends that have been so favorable after seeing such a negative climate for housing in the District.

MR. JEFFRIES: Thank you.

CHAIRMAN MITTEN: Thanks. Okay, do we have a representative for the American Planning Association. Saundra Gilbert, do we have Saundra Gilbert? William Clark. Elinor Hart. Robert Pittman. Cheri Mitchell. Victor McKoy. DaVern Taylor. Lisa Greene. Eddie Curry. Jeri Denis. Chris Zeilinger. Okay, we finally

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got a winner. Betty Sellers. You're Mr. Conn, right?
Okay.

Why don't you go first? I'm sorry, I don't know who you are.

MR. SCHOENECKER: Madam Chair, Members of the Commission. My name is Lee Schoenecker. I'm the Vice President for Legislation, National Capital Area Chapter of the American Planning Association. I reside at 5543 30th Place and I'm a near 40-year resident of the District of Columbia.

The American Planning Association consists of over 35,000 planners on a nationwide basis and is geographically divided into 46 chapters across the country.

The National Capital Area Chapter of the APA, which I represent here today, consists of some 600 members covering the District of Columbia, as well as Montgomery and Prince George's County. Also, APA members in Northern Virginia who wish to join our chapter can do so at about 100 or 600 members come from Northern Virginia.

Mandatory inclusionary zoning we strongly endorse the concept of mandatory inclusionary zoning, starting at 10 units as proposed by both Petitioner and

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the Office of Planning. The concept of inclusionary zoning started in the 1970s including a well-known program in Montgomery County which you've discussed here tonight at some length. Since that time, in a 2004 publication of the Urban Land Institute, inclusionary zoning for affordable housing some 350 to 400 communities across the country have adopted some type of inclusionary zoning provisions in new residential developments.

And in recent years, a central city such as in Boston, Denver and San Diego experienced increased market rate residential development. They too have adopted inclusionary zoning. One thing that has become quite clear over the last 15 to 20 years across the country is that with limited exceptions, voluntary inclusionary zoning simply does not work. Incentives, including bonuses -- incentives typically are in the form of billing bonuses to developers and again, this is the case with the proposal of both the CMIZ and the OP. And we certainly agree with the same.

Nationwide is generally quite difficult to operate inclusionary programs, county-wide or city-wide without financial bonuses. However, there are other incentives that have been used quite extensively across

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the country such as expedited review, impact fee reduction, tax abatement and appropriate standards reduction.

Once the overlay zones have been established the Commission may want to visit these zones to determine if financial bonuses and other incentives may be used in possibly different ways to meet the very needs of these overlay districts.

How to calculate the housing set asides. The CMIZ basically calculates the building bonus as a straight forward percentage of the building, including both a matter of right, FAR and the square footage under the bonus space. The OP, on the other hand, recommends both calculations based on a proportion of affordable housing to market housing in the bonus space. In addition, however, to provide a minimum affordable housing in low-density residential and commercial zones where bonuses are provided, the OP requires at least a 10 percent building matter of right FAR in affordable housing.

Our discussions with those familiar with inclusionary zoning indicates that the most standard way of determining affordable housing set asides is pretty much a straight forward calculation against both

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the matter of right and the bonus space. Our preference, our strong preference would be for the relatively simplicity of this approach, provided it is economically feasible, it can be administered in a flexible manner where unique circumstances arise.

The question of the geographic overlay and the question of organizational and administrative capability the District of Columbia to provide are outside the bounds of this area. In our discussions, we felt very strongly that once the geographic overlays are determined, that the Zoning Commission should again come back and see how the requirements you've been discussing in the last two meetings and will probably discuss in the next two meetings, might be applied to different varying geographic overlays.

Furthermore, I think our biggest concern that the organizational and administrative capability of the District of Columbia simply have to be improved to make this very necessary program work.

Thank you.

CHAIRMAN MITTEN: Thank you. Ms. Hart.

MS. HART: Good evening, my name is Elinor Hart. I live at 1651 Hobart Street in Ward 1. I bring two messages. First, thank you for seriously

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considering what I believe is an absolutely essential affordable housing tool for our city.

Second, please do all you can to make sure that the proposal by the Campaign for Mandatory Inclusionary Zoning becomes public policy as soon as possible.

I am convinced that the zoning policy proposed by the Campaign will be of greater benefit to the city than the one proposed by the Office of Planning. And I want to give you four reasons why I feel this way.

First, longer length of affordability. I won't say very much about this because Bob Pohlman gave a very good explanation of why longer affordability is important.

Second, broader range of income levels. As you know, the Campaign's proposal makes it possible for the nonprofits and the Housing Authority to buy up to 40 percent of the units and the Housing Authority and the nonprofits can make the housing available to people at much lower income levels so that that means that the program overall will serve a much broader range of income level.

Third, substantial rehabilitation. The

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Campaign's proposal involves substantial rehabilitation as well as new construction. The only residential construction that will occur in many District neighborhoods will be rehabilitation. My neighborhood in Mount Pleasant is an example.

Whenever the scope of that rehabilitation includes major systems and results in a significant increase in the market value of the property, it is essential that that rehabilitation produce affordable units.

Fourth, transparency, clarity, and consistency. Transparency is critical for a new zoning policy to be accepted and respected. People need to know what to expect and they need to be able to determine whether or not these expectations have been met.

The Campaign's proposal which measures the set aside requirements in units and provides a simple, straight forward process for seeking relief is transparent. However, the Office of Planning's policy with the set aside requirements measured in square footage and a very complicated, wide range of options for being excused from these requirements, will make it very difficult to know what to expect and to know

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whether the requirements of the policy have been met.

In conclusion, let me repeat my two messages.

Thank you very much for holding this very important hearing and please act as quickly as possible.

CHAIRMAN MITTEN: Thank you. Mr. Zeilinger.

MR. ZEILINGER: Madam Chairwoman, Members of the Commission, my name is Chris Zeilinger. And I'm speaking before you today as president of Tifereth Israel Congregation, a synagogue located at 7701 16th Street, N.W., in the Shepherd Park neighborhood of Washington, D.C.

Thank you for receiving testimony today from public witnesses with regard to this petition you're considering, the Campaign for Mandatory Inclusionary Zoning.

My statement, which I will keep brief is to support the proposal advanced in that petition. Our congregation has been located in the District of Columbia for our entire 91-year history and we've been located in Shepherd Park since 1956. Through the years, we've always been committed to maintaining the diversity and vitality of our own neighborhood and for all neighborhoods in D.C.

Housing affordability is an issue of concern

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to us. We are especially concerned about soaring housing costs in the District of Columbia and the effects these costs are having on our own congregants, our neighbors and our fellow citizens of D.C.

As we see what is happening in much of our area's housing market, it is clear to us that market forces alone will not protect the affordability of housing for the area's low and moderate income families. That is why we support the particular proposal that has been submitted to you by the Campaign for Mandatory Inclusionary Zoning.

In our view, there need to be specific guarantees that housing developments will benefit all the working families of the District of Columbia, regardless of their income. That is why we believe that specific numbers of units, required to be comparable in size and furnishing to other units and required to be included in the same physical development are important.

Affordable housing is not a function of mysterious ratios, flexible square footage calculations, or indeterminate calculations. Without specific accountable unit expectations, as they exist in almost every other mandatory inclusionary zoning

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program in the country, program outcomes could vary too widely to be effective.

Guaranteeing the long-term affordability of both owner-occupied and rental housing will have tremendous benefits for the District of Columbia in our opinion. For one thing, it will promote stability in neighborhoods. As families can make the long-term social investment in their local schools, churches, businesses and family and social networks.

I'm neither a social scientist nor an economist, but every article I've ever read on the subject indicates that strategies that promote home ownership can help reduce crime, promote business development and improve the educational outcomes in neighborhood schools.

The balance between home ownership and long-term affordability for the city is perhaps the most compelling reason to support the Campaign for Mandatory Inclusionary Zoning's proposal. Regardless of anyone's political persuasion or personal beliefs, a basic truth in the American economy is that the equity in one's home represents the cornerstone to financial security.

That is why we favor a proposal such as the one before you in which low and moderate income families can be

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assured of a specific stake in the equity of their homes with the remaining equity serving to replenish the funds that help replace affordable units whose terms of affordability have expired.

Under this proposal, families have an incentive to remain in their homes as owners which will promote badly needed neighborhood stability and if they choose to sell after 20 years, they stand to earn a modest profit, while also ensuring that there's comparable increase in funds for more affordable housing opportunity in the future.

What's more, we appreciate the specific opportunities to support even lower income families through the proposal's attention to supporting the Housing Production Trust Fund and the activities of qualified nonprofit organizations and the D.C. Housing Authority.

To be very specific, the Tifereth Israel Congregation is a partner with a nonprofit community development corporations of Emory United Methodist Church in Brightwood, and the Third Baptist Church in Shaw. Both these CDCs would like to see more affordable housing in their neighborhoods, but are stymied by the shortage of available capital. We see

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this proposal as a key opportunity to help our partners in numerous CDCs and other groups throughout the District of Columbia.

To bring this testimony to a close, allow me to offer a personal story. I have lived in the area for 17 years. My wife and I moved here in 1988 with the intention of being D.C. residents. The lack of affordable housing then forced us to settle in Maryland. Even though we enjoy what should be a comfortable middle class income and lifestyle, we still cannot afford to live in D.C., at least not anywhere convenient to our jobs, our place of worship or our friends. We are not alone. Please adopt this proposal so that other hardworking individuals and families will be able to live and thrive in the District of Columbia.

Thank you for your consideration.

CHAIRMAN MITTEN: Thank you. Mr. Conn. And I can you have a lengthy testimony, so I'm going to ask you to try and summarize it so you can get through what you need to get through.

MR. CONN: Sure. I don't intend to read it at all.

CHAIRMAN MITTEN: Okay.

MR. CONN: Thank you very much to the chair

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and to the Commission for taking testimony on such an important issue, affordable housing in the District of Columbia.

My name is David Conn and with Betty Sellez who isn't here, we represent the Tenant Action Network and our primary goal is to work with tenants who rent in the District of Columbia to make sure that they have decent, safe and affordable housing.

So that you understand where renters stand, only those renters living in buildings built before 1975 enjoy any benefits of rent stabilization. Any building built after that time has no price controls whatsoever. So what you have is a dwindling stock of affordable housing, housing that has been constructed is under no rent stabilization, no regulation whatsoever when it comes to pricing. Therefore, we need a mandatory inclusionary zoning program because, frankly, I lived to the developers. I've listened to DCBIA for 20 years tell me that rent stabilization hindered new construction when, in fact, it didn't. We've had lots of new construction. So their jeremiad predictions of no new construction now belies reality.

They tell you to look at Washington, D.C. alone. Well, the plan for Washington, D.C. that the

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Mayor has outlined is to bring in at least 100,000 new residents, not to curtail the supply of housing, but the need for more. So as the economic conditions and the construction in Washington, D.C. takes place, that will dictate the number of affordable units.

And when Montgomery County has 11,000 affordable units, if an average of three to four people are living in those, that's created affordable housing for 30,000 to 40,000 people or more and that's nothing to sneer at, unlike our developer friends have done over the past two days.

Let me also note that I disagree with Manna on the idea that people ought to be able to get out of affordability length restrictions because people will have that explained to them that you're being subsidized and the CMIZ proposal sensibly allows for a certain increase in equity and a certain percentage to go to the Housing Production Trust Fund. So contrary to Manna's testimony, nobody is telling the resident that you're not entitled to any appreciation at all. And this would be explained in the first place and if somebody didn't like it, they didn't have to go under the program. Nobody is forcing that.

Let me point out a couple of problems with

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the CMIZ proposal that we really do support in general.

The one biggest problem is the substantial rehabilitation issue. I don't think the CMIZ group realizes that under rent stabilization there is also a similar term of substantial rehabilitation and I've provided the documentation. It has a different definition under rent stabilization so that you actually run the risk if you adopt this proposal of taking buildings out of the rent stabilization, rent control program that were built in 1975 and I can explain that in greater detail in the testimony. So something needs to be done about that.

In addition, we want to make sure in substantial rehabilitations that tenants would have the right to vote under the Tenant Opportunity to Purchase Act if there's going to be a change of use and one thing we don't want to lose is under the current law, if a building is converted from rental to ownership, any tenant who is 62 or older earns \$40,000 or less is entitled to a lifetime rental tenancy with rental increases only at the annual CPI. So we want to make sure that we look at this proposal in conjunction with the conversion and sale act that exists and the rent stabilization program to make sure we do no harm on the

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affordability.

Again, let me say that we strongly support mandatory inclusionary zoning. The Council has made a determination it is necessary and proper and to revisit it with the legislature saying it's necessary would be unwise. We support mandatory inclusionary zoning, but please take our concerns into effect.

Thank you very much.

CHAIRMAN MITTEN: Thank you, Mr. Conn. Any questions for this panel? Any questions? Okay, thank you all very much.

Carolivia Herron. Shelley Moskowitz. Heather Powers. Jacques DuPuy. Jose Andrade. Denise Rodriguez. Aqiyla Edwards. Dorothy Davis. Tania Jackson.

Okay, Ms. Moskowitz, you're up.

MS. MOSKOWITZ: Thank you so much. I appreciate being able to testify this evening in front of you and to be able to talk about our city's affordable housing crisis and what you can do to help alleviate the problem.

My name is Shelley Moskowitz. I live at 3229 Idaho Avenue, N.W., which is in Ward 3 and I've lived in Washington, D.C. since 1987 when I moved here to

open the Capitol Hill office of a California-based nonprofit organization. For 13 years, I walked three blocks to work. It was almost like a village lifestyle. And I knew my neighbors and I had the benefits of this amazing city, but I was able to live where I worked.

That was back when Northeast was considered the murder zone and many people were afraid of my neighborhood. And then not so many years ago it became trendy. And after 13 years I was told that the house was being sold.

As a nonprofit worker, I attempted to enter the housing market. I had the right of first refusal, but I can tell you that it was not a credible opportunity for me as a nonprofit public interest advocate.

I moved to upper 16th Street from there, began taking the bus to work. It was two years before that house was sold out from under us. I feel very lucky and it's really by sheer accident that I am able to live where I live right now in Ward 3, finding an under market rate apartment on the top floor of a quite beautiful stately old house. So I know that I am more the exception than the rule to be able to live in that

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beautiful neighborhood.

But I'm also here tonight to speak to you as the chair of the board of Jews United for Justice and you've heard from some of my colleagues tonight, some remarkable people are part of this organization which has been in D.C. since 1998. But we are active members of the Campaign for Mandatory Inclusionary Zoning. We've worked on this Campaign for over two years. We have watched every stage of development. What a thoughtful this has been. And I can say to you, the Zoning Commission, you do have a superb option that is well thought out and considers many, many of the actors that are affected by this proposal. And I'm here, both as a Ward 3 resident, one who has done outreach to many of our JFJ members live in Ward 3 and we collected hundreds of postcards in support of the Campaign's mandatory inclusionary zoning proposal. And we passed resolutions in Ward 3, ANCs and we had enormous support. And as you can tell from the Jewish community perspective, this is the right thing to do. So I hope you will strongly support the Campaign's mandatory inclusionary zoning proposal.

Thank you.

CHAIRMAN MITTEN: Thank you. Ms. Powers?

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MS. POWERS: Good evening, members of the Zoning Commission. Thank you for permitting me to speak with you this evening about the critical need for mandatory inclusionary zoning to assist my clients, survivors of domestic and dating violence.

I am Heather Powers, Staff Social Worker at Women Empowered Against Violence, also known as WEAVE.

WEAVE works closely with adult and teens, survivors of relationship violence and abuse, providing an innovative range of legal counseling, economic and educational services that lead survivors to utilize their inner and community resources, achieve safety for themselves and their children and live empowered lives.

I also speak to you as a 10-year resident of D.C.

The proposal before you this evening is critical for low to moderate income families in the District of Columbia and particularly for survivors of domestic violence.

For the past year at WEAVE, I have been providing individual and group counseling to survivors of domestic violence who are trying to transform their lives. At WEAVE, my clients come from a wide variety of incomes, neighborhoods, races, religions and

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educational levels. What unites them is surviving domestic violence in dealing with the financial trials that come with escaping abusive relationships.

Many of us who work in the domestic violence field are asked, why do battered women stay? In D.C. one reason why survivors stay in abusive relationships is lack of affordable housing. The story of my clients' experience illustrates the problem. Please understand that her name and some details have been changed for confidentiality.

Terri was living in an apartment with her abusive spouse and her two boys. After years of intimidation, she flees to a temporary shelter. But she only has four weeks to stay. That means four weeks to find an apartment that she can afford or four weeks to get into a city shelter. She has a high school education and a history of low wage jobs. Every income-based apartment complex she calls has a waiting list at least nine months long. When she visits the place with the shortest list, she hears from some of the residents that the apartments won't be around for long. They're being turned into condos.

The things her children are learning in the shelter scare her. And her kids need new shoes, school

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supplies, medicines and other necessities. She hopes to receive a Section 8 voucher, yet even with a Section 8 voucher, there are no guarantees. Many voucher holders who are searching for quality housing are having difficulties finding affordable places in quieter neighborhoods where landlords will accept their vouchers.

The only option seems to be with slum lords or in crime-ridden areas where any parent would fear for their children's health and safety. Without mandated inclusionary zoning, women like Terri who face huge obstacles renting have no hope of purchasing a house in D.C. anywhere.

Now in the life of domestic violence survivor, a woman's abuser often clings to the edges of her life, offering apologies, extra money and promises that everything will be different if she only returns.

Sometimes a survivor of domestic violence will remain in or return to an abusive relationship to provide higher quality housing for her children. And I hope that Terri does not do that.

The proposal before you is especially critical because it not only creates more affordable housing, but it also creates multi-income

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neighborhoods. Career counselors often say that the best way to get jobs is through the people you know. If everyone with whom you have a personal relationship has a low wage job, those are the kinds of jobs with which they can connect you.

With multi-income neighborhoods, computer technicians, entrepreneurs, and teachers can live next door to minimum wage earners. Low income families thus form relationships with professionals with whom they might not otherwise become acquainted which creates greater employment networks for adults and new role models for children.

In my professional experience, families living in multi-income neighborhoods are much more likely to improve their lives than those living in neighborhoods of concentrated poverty. The lives of some of my former clients have shown this.

Several years ago, as a case manager with Sasha Bruce Youth Work, I worked with Anne, a formerly homeless single mother who moved into an intentionally multi-income development with her two children. And it was a beautiful place. Anne earned about \$10 an hour, but she lived next door to people with six figure incomes. She took so much pride in her home and the

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quality of her neighborhood. Living in such a beautiful space lifted her spirit and I believe that this spirit is what enabled her to achieve many of her goals.

By the end of her year with me, she had joined an entrepreneurial program to begin saving to open her own business. She believed she could do it. During our time together Anne did not become discouraged or defeated by her neighborhood, unlike some of my other clients who lived in areas of concentrated poverty.

CHAIRMAN MITTEN: I need you to give us your last thought.

MS. POWERS: Setting aside quality housing for people with low incomes is a good idea. If affordable quality housing were more accessible, more survivors of domestic violence might find the courage to leave.

Please make this a possibility.

CHAIRMAN MITTEN: Thank you. Ms. Davis.

MS. DAVIS: Good evening. Thank you for having us here this afternoon on behalf of myself and ACORN.

Good evening, my name is Dorothy Davis. I

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live in the Trinidad area at 1657 Trinidad Avenue, Northeast, for the past three years. I lived in D.C. for the past 20 years. I've also been a member of ACORN for four years.

ACORN is the country's largest organization of low and moderate income people. We have offices in 95 cities and have been in D.C. for 13 years. One reason why mandatory inclusionary zoning would be especially important for my neighborhood is because the area is really growing and if the neighborhood is growing, it needs to grow for the people who need it most.

Now everywhere you go, new condos are popping up. There are two-bedroom condos in my neighborhood that are going up for \$200,000. My neighborhood can't afford that. In the past year also, ACORN has gone after various developers who were pushing out people living in co-ops so that they could sell the houses at market value and try to get around the tenants' right of having first refusal. There are also a lot of developments coming out that takes place like Boys and Girls Club and the Children's Museum and turning into condos. The Children's Museum was only 10 minutes away from my house, the one that my 9-year-old granddaughter

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has always enjoyed and it's being turned into condos.

I'm quite sure that developers are making a lot of money. Sometimes, they even get incentives and breaks from the government, but when are they going to start giving back to us? They owe us. No one is going to know that I live in a \$100,000 condo if someone else lives in a \$200,000 one. And no one really cares. What is important is what is important to have somewhere to live.

As people have this opportunity, they will be able to provide for their families. You have to have money, jobs and decent places to live. If you have that, there's a better chance that our families will stay together. If people are educated and have the opportunity, they will maintain their property, because they will want to take care of their homes. We aren't asking for a handout. We are asking for a helping hand. We will pitch in.

We need to stop labeling people. I used to clean homes for rich folks in Southern Maryland and lots of folks kept their house terribly, but I know that my apartment is so clean even the President would feel comfortable.

It is important to have multi-cultural

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neighborhoods so that we can learn about each other, instead of making assumptions about each person's character. Also, it's important that if we are going to continue to let developers make money off of us and build condominiums, there needs to be strong laws for developers to put some units in place for low and moderate income.

ACORN members went to developers' offices and demand they share their profit with the community, instead of just pushing people out. Several of these co-ops are filled with seniors and people that are disabled, because there aren't laws on the books to protect us. We have to push these developers.

We have some developers who agree to build the units, but most of them ask where were we before they broke ground? We have always been in the community, but we weren't at the bargaining table because we aren't invited to those kinds of things.

The policy will help because there will be a law on the books and they will know that there is a uniform standard for them to meet and hold developers accountable.

Thank you for your time and pleasure. Please pass the D.C. Campaign for Mandatory Inclusionary

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Zoning proposal.

CHAIRMAN MITTEN: Thank you, Ms. Davis. Ms. Jackson.

MS. JACKSON: Good evening. My name is Tania Jackson and I am the Director of Community Policy of the Jair Lynch Companies. We are a developer based here in Washington, D.C.

Although our company is actively involved with the D.C. Building Industry Association, DCBIA, Mr. Lynch is on their Board, and the Coalition for Nonprofit Housing and Economic Development, CNHEC, I am on their board, we have found ourselves at odds with both organizations over the issue of inclusionary zoning.

Our company is seven years old and located in the historic U Street corridor. I myself is a seventh generation Washingtonian who lives in the Columbia Heights neighborhood. Both areas, Columbia Heights and U Street are experiencing a development boom that exemplifies the current enthusiasm for building in this city.

JLC has concluded after several months of discussion and debate internally, and several meetings with those organizations that we favor the adoption of

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a mandatory inclusionary zoning policy for the District of Columbia. As a developer working across a broad spectrum of affordability in housing development, we have had to use a lot of different tools to get to the varying levels of affordability that we have provided in our projects. We very much feel that a mandatory inclusionary zoning policy would serve as a great tool to be used in conjunction with many others for creating the vibrant, mixed income communities that should be our collective goal in Washington, D.C.

We feel that a mandatory inclusionary zoning policy will help meet one of our development goals which is figuring out how to produce more affordable housing in order to meet the still growing need for such in the city.

JLC does not view a mandatory inclusionary zoning policy as a panacea to cure the current housing crunch, rather, we see it as a great way to provide housing opportunity for the particular income levels at which it is aimed.

Mandatory inclusionary zoning should be used in conjunction with resources like the Housing Production Trust Fund, federal subsidy, Hope VI and tenant purchase, to help create neighborhoods that have

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people at all different income levels.

Further, the needs of individual neighborhoods must be weighed carefully as an affordable housing policy is crafted. If the aim is to create mixed income communities, which is our focus at JLC, the neighborhoods have to be weighed on a case by case basis as off-site development options are considered as part of the overall IZ policy.

We would like to see a policy adopted that would clearly manage the ways in which off-site development occurs in the neighborhood in which it's proposed, understanding that the opportunities in some neighborhoods are limited and would need further assistance to happen or require creative partnerships.

We feel that the Campaign's proposal begins to get at this issue and we would like to see further clarification about the management of such instances and a transparent decision making process for allowing such exceptions, a process that clearly takes into consideration the needs and opportunities within each neighborhood.

We would also like to see, in lieu of fees clearly earmarked for affordable housing development and managed with the same consideration of individual

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neighborhood needs, and a willingness on the part of the city to come up with creative solutions to help get to the end goal of the mandatory inclusionary zoning program, mixed income neighborhoods.

Thank you.

CHAIRMAN MITTEN: Thank you, Ms. Jackson. Any questions for this panel from the Commission? Okay, thank you all for your testimony.

Jonathan Weinstein, Glenn Miller, Mr. Pearson, Gary Peterson, Nicola Whiteman. Sandra Gilbert from ACORN. Brian Adnan from Jubilee. The penmanship is not good, so it's not just that I can't read.

(Laughter.)

Angela Octavia from Jubilee. Let it be known that people from Jubilee have bad handwriting.

(Laughter.)

How about David something from Jubilee? Joseph Paul, Home Roots Foundation. Jay Hellman, gone I think. Sharon Snead. I don't see Ann Hargrove. Is she hiding some place? Okay. Teresa Nerusi. Linda Leaks. Alia Rocker. Leslie Steen. Campbell Johnson. I don't see Mary Williams. Is she here? Sandra Seegars.

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Okay, Mr. Weinstein.

MR. WEINSTEIN: My name is Jonathan Weinstein and I work with the Jair Lynch Companies. Our firm is committed to building communities in which residents can live, work, play and learn. To do this, we're committed to building housing across a broad spectrum of affordability.

We're building market rate condominiums in Columbia Heights with a 15 percent affordability component. We recently delivered 126 rental units as part of our Royal Courts community near Ballou High School where none of the units was priced higher than could be afforded by a family at 80 percent of Area Median Income.

And we're helping the residents of the Capital Manor Cooperative preserve 102 units, affordable at 30 to 50 percent of median income, across the street from town homes selling for nearly \$1 million each. Most developers in this city, however, build the single product type, often luxury housing in this market and don't share our commitment to affordable housing. For this reason, we support the concept of inclusionary zoning as a means to require the specialty developers to either include affordable

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units in their projects or contribute funds to build them off-site.

We are concerned, however, about certain aspects of the proposed plans for implementing mandatory inclusionary zoning. First, it's important to remember that inclusionary zoning is not a government subsidy. It's a means of achieving a public goal, more affordable housing, by requiring private developers to take money out of their pockets and use it to subsidize housing costs for lower income D.C. residents. Density bonuses are no guarantee that a developer will recoup this contribution to the public good.

Second, inclusionary zoning is not the only way to provide affordable housing in D.C. and it's not the best way to meet some needs. JLC supports provisions that would require that high rise projects only include affordable units for families at 80 percent of Area Median Income, but that low or mid-rise projects include units for families at 50 percent and 80 percent of Area Median Income.

At a community meeting last month where JLC is serving as master planner for the Housing Authority's Sheridan Terrace Hope VI project and

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application, we shared the following information with the community residents and it's relevant to this discussion.

Given the cost of construction, without even considering the cost of acquiring land, the subsidy required to make a two-bedroom townhouse affordable for a household at 30 percent of Area Median Income is approximately \$110,000 per unit. At 50 percent of Area Median Income, it's \$40,000 per unit. And at 80 percent of Area Median Income, the developer would just cover its construction costs.

The subsidy required is even higher for mid-rise buildings and high-rise buildings and this does not include the cost of the land. Land costs, even in less developed neighborhoods in the District, often exceed \$40,000 per unit.

CHAIRMAN MITTEN: I need you to sum up and maybe give us a copy --

MR. WEINSTEIN: Sure.

CHAIRMAN MITTEN: I think you did give us written testimony.

MR. WEINSTEIN: I have it. It will be submitted. I urge the Commission to adopt the mandatory inclusionary zoning policy that acknowledges

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the need for flexibility in implementing the policy to allow for the greatest number of affordable housing units to be developed either on-site or off-site.

CHAIRMAN MITTEN: Thank you. Mr. Peterson.

MR. PETERSON: Thank you. I am Gary Peterson. I'm here for the Capitol Hill Restoration Society. I submitted written testimony last week, so you should already have my written testimony. I'm just going to highlight a few points in it instead of following the written testimony.

First of all, the Capitol Hill Restoration Society supports affordable and diverse housing. However, we oppose the plans that have been submitted to you because frankly we don't think it's a very efficient way to up the number of affordable housing units in the District of Columbia. We think it's too complicated and too cumbersome for what's added. And frankly, we've heard some talk about gentrification. It's not going to stop certainly the gentrification of Capitol Hill or the gentrification of what I would call the Capitol Hill area which now for realtors goes all the way up to Florida Avenue and all the way out and around the Anacostia River. So gentrification, I don't think this is going to stop that. I have some

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other ideas on how to stop it, but this isn't going to work.

Now sitting here over the last couple of nights listening to this, you begin to think that the city isn't doing anything about affordable housing and this is sort of the first opportunity for somebody to really step up and do something. But actually, in reading the OP report, I noticed the city is averaging, adding about 2700, affordable housing units every year and that's really quite a substantial number when you contrast it with Montgomery County adding around 400 units through IZ every year and OP calculates that if this type of zoning were in place for the last five years, it would have only added 150 units per year.

I agree with the people who have said there's a crisis and the need for affordable housing, but what they're proposing here is promising way too much. This is going to be just a drop in the bucket. And where the big results can be gathered are really from working with those other programs that provided that 2700 and getting more funding for those so they add double that, add 5,000 units a year. But inclusionary zoning really isn't going to fix this problem and I'm afraid the good people who are here and have been listening or

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testifying are being sold a bill of goods that this is going to really make a big difference. The numbers just don't add up.

In fact, it's going to add additional zoning regulations. It will require D.C. law changes by the City Council. It's going to cost more for lawyers and planners. It will require additional government employees. In fact, I am a lawyer and I am surprised that some of my colleagues here, they're sort of testifying against their own interests. I would call this Lawyers Full Employment Act of 2005.

(Laughter.)

Really, I understand they represent clients and they're doing what they should, but I think the winners here are the lawyers all the way around and I don't think the housing advocates are getting much at all out of this.

I would rather see it be simple and I think you're going to do something about inclusionary zoning, so I'm not arguing that -- I'm arguing you shouldn't, but I have a feeling that given all the interest and the City Council's interest that you're probably going to do something along those lines. And so I would urge you instead and I've urged it in my written testimony

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to consider tinkering with the PUD process. That really has worked quite well, I think, in adding some units to the process. You may want to tinker with the number of units that are required.

Also, I think it answers a question that hasn't been addressed here which is the takings issue and I think by keeping inclusionary zoning as part of the PUD process, you taking the takings issue off the table because a developer can choose to do a PUD or not do a PUD and if they choose to do a PUD, then they have to take the inclusionary units that are included with it. If they choose not to do the PUD, then they don't have to worry about it. And you don't have the takings issue here. And I think it does -- you can just change the definition of what amenities are.

The other thing brought out by Barbara Zartman that concerned me is there is this on-going redoing of the Comprehensive Plan and as you know, the City Council has finally agreed to come up with some money to start the process of studying the zoning regulations to redo them and I think those two things are in process and I would urge you not to be too -- to stray too far from what's already in the zoning regulations. I think I've raised all my points I want

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to make at this time. Thank you.

CHAIRMAN MITTEN: Okay, thank you. Mr. Johnson.

MR. JOHNSON: I'm speaking on behalf of the Urban Housing Alliance and the Dorchester Tenants Association.

Good evening. My name is Campbell Johnson III and I thank you for holding the hearing. However, I believe the hearing is premature because the Commission is not being presented the information needed to have a balanced, comprehensive and broadly considered judgment.

If implemented, the proposed coalition for mandatory inclusionary zoning text amendments will change the District in fundamental ways that will accelerate the displacement of low and moderate income residents.

While some token affordable housing units may be resulting, the value of these illusory benefits will be far outweighed by providing a new tool for continuing to feed an overheated real estate market and undermine the quality of life that has attracted many people to the District of Columbia.

As I mentioned, I'm a tenant at Dorchester

House, 394-unit building that includes a number of professional and business offices. It's in Ward 1 on 16th Street. I'm president of the Tenants Association there. I'm also chair and CEO of the Urban Housing Alliance which is a D.C. community-based organization.

The Alliance's mission is to design, organize, implement housing empowerment initiatives with at-risk residents to challenge displacement. Our constituents include renters, home owners, seniors, disabled persons, aspiring home owners and small community-serving businesses.

In addition, I serve as chair of Collaborative Alliances of America which believes, contrary to the philosophy around here, the common wisdom, that economic development can uplift a community and does not have to uproot its residents.

My neighbors involved in each of these groups staunchly support truly affordable housing. We support affordable housing as a practical reality, not as a conception which the meaning for District residents vanishes as a result of a HUD-ordained, inappropriate, bureaucratic definition.

We support affordable housing by providing meaningful options for low- and moderate-income

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District residents and we do not want to see a mandatory inclusionary zoning, MIZ, proposal implemented that will continue to displace our neighbors in massive numbers while a few people are allowed to live in bottom-end dwellings that will be squeezed into luxury high-rise apartment buildings.

I've got 30 years of professional experience in economic development in the public and private sectors. I'm a former comptroller in a major Mid-Atlantic Bank, EVP of a national development finance firm and business development manager in estate economic development. I try to look at the big picture when considering an economic development or housing policy proposal.

For several years, the District's leadership has courted 100,000 new residents in an effort to enhance our fiscal strength. In recent years, many incentives and tax abatement opportunities for District government have been provided to developers, businesses and home buyers with the intent of creating a stronger tax base and more diverse population. This effort has been very successful. A large number of affluent residents are moving into the District. These efforts have effected a change in the basic character of the

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District.

However, the situation that currently exists reflects an unintended consequence owing to the cumulative impact of these policies. There is substantial imbalance in housing availability that provides a major and increasing displacement threat to low and moderate income District residents. First, luxury housing is virtually the only housing that's being produced in the District by for profit, private sector developers that operate without benefit of government programs.

Secondly, huge property assessments and rent increases constitute major pressures on long-term District residents. The impact of the new residents on the rental and home ownership markets is displacing low and moderate income residents at an alarming rate. As you know, among the incentives many of these new home purchasers enjoy, they do not have to pay property taxes for five years.

The MIZ proposals you have before you represent solutions to yesterday's problems. A few years ago, the median income for a family of four in Shaw amounted to \$30,000. Annual median incomes in Wards 6, 7 and 8 were comparable. The MIZ proposals

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now being considered are targeted to providing half of the affordable units at 80 percent AMI, defined by HUD, and the problem this does not get to, relating to the slow pace -- to slow the pace of displacement of families earning \$30,000.

The Urban Housing Alliance has voted that 30 percent of the units should be at 30 percent AMI.

CHAIRMAN MITTEN: I need your last thought.

MR. JOHNSON: Last thought would be and I'll provide the testimony in complete, is that we have a huge problem. This is not addressing it. Also, the housing market in the District is not fragile. Circumstances that fundamentally change, so to compare what's going on today with what went on 5, 10, 15 years ago is totally illusory and a fraud, I think.

CHAIRMAN MITTEN: Okay, thank you. Ms. Seegars?

MS. SEEGARS: Good evening. I'm Sandra S.S. Seegars, chairperson of Advisory Neighborhood Commission 8E. I live in Southeast Washington. Advisory Neighborhood Commission 8E supports Zoning Case No. 04-33, text amendment inclusionary zoning overlay.

Therefore, any ANC Commission member may

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appear before the Zoning Commission to represent ANC 8E in its position. We voted unanimously on resolution Zoning Case No. 04-33 text amendment inclusionary zoning overlay.

The ANC 8E 2005 Commission Members are Sandra S.S. Seegars, Leon Swain, Jr., who was here earlier; Sandra Bestve Williams; Melvin Samms and Christopher Hawthorne. ANC 8E is for production of new units of not only affordable housing, but below market housing as well for low and moderate income residents.

We support creating home ownership opportunities for the same class of residents. The adoption of the text amendment for inclusionary zoning will ensure adequate housing for the rich, the poor and the moderate-income residents, thereby including all salaried residents and displacing none.

I want to submit this so if you have another hearing, anyone can come before you.

I'd also like to say if you don't adopt, mixed housing as it is, is mixing poor people out right now. Affordable housing, which averages the salaries the regions, excludes poor people and we include Montgomery County, Fairfax, which are very rich.

Hope VI embraces a very small number of the

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previous poor residents or very low income residents. Maybe 20 percent may move back in. The Mayor is steadily moving out poor people. It is evident in my Ward, Ward 8.

If you don't adopt the text amendment, Case No. 04-33, you will be assisting Mayor Anthony Williams and other bigots in removing poor people and low to moderate income people from the city.

Hopefully, you can adopt this text now before the Comprehensive Plan is done so that it can be included. And I know there was one lady up here earlier and I don't know her, but I heard her testimony and I can guarantee you she lives in Ward 2 or 3. I bet you she lives in Ward 2 or 3 because she's selfish.

She doesn't want poor people in her area and looking at the map, she's in a low density area and not a moderate density area. So I'm sure she's a bigot as well as other things I'd rather not say tonight and she don't want poor people in her area.

CHAIRMAN MITTEN: Thank you. Any questions for this panel from the Commission?

MR. JEFFRIES: Just quickly. Mr. Weinstein, if possible, are you going to provide us any testimony, written testimony?

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MR. WEINSTEIN: Yes.

MR. JEFFRIES: Okay, and you have some illustrations in terms of numbers or exhibits or something?

MR. WEINSTEIN: To the extent that I shared them in the testimony that I gave --

MR. JEFFRIES: Yes, yes, right.

MR. WEINSTEIN: Yes.

MR. JEFFRIES: Thank you.

CHAIRMAN MITTEN: And Mr. Johnson, Ms. Seegars, if you'd submit written documentation, it would help.

Mr. Hildebrand?

MR. HILDEBRAND: In your testimony, you were giving a breakdown on the unit cost for town houses. Did you do a comparable unit cost for highrise and midrise development as well?

MR. WEINSTEIN: For the project in question at Sheridan Terrace, we were only looking at midrise, so I do have the information for midrise. I didn't include it in the testimony. We didn't include it for highrise construction.

MR. HILDEBRAND: I think that would also be helpful for us as well.

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CHAIRMAN MITTEN: Okay, thank you all very much.

We're closing in on that magic hour and I know we're going to finish everybody tonight. So is there anybody else who would like to testify tonight, just come on forward. I think we probably don't have so many that we can't fill the chairs.

Please go ahead.

RABBI BIBER: My name is Rabbi Binyamin Biber. And I serve at and I'm here today to speak on behalf of Machar, the Washington Congregation for Secular Humanistic Judaism. The congregation operates the Jewish Cultural School in the District of Columbia at 6045 16th Avenue, Northwest. I, myself, however, was unable to find within Washington affordable housing that would meet my household's needs so I live in Silver Spring, Maryland at 9039 Sligo Creek Parkway.

I am, of course, glad to say that Montgomery County has adopted mandatory inclusionary zoning to help build and preserve affordable housing near Washington, D.C., so I can still get to work.

I'm here today to advocate for the adoption of a robust policy of mandatory inclusionary zoning

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here in this city where I work and would very much like to live. I am here to encourage you, the members of the Zoning Commission of the District of Columbia, to vote to recommend the adoption of this excellent proposal put forward by the Campaign for Mandatory Inclusionary Zoning.

You're in a position to help provide much needed relief to the many in our community suffering from the loss of affordable housing and from the on-going displacement of our lower income residents.

By strongly supporting the Campaign's far-reaching proposal, you can foster its passage and funding by the District's City Council and Mayor.

I am one of 16 D.C. rabbis that signed a clergy letter of support for the Campaign's proposal. My congregation, like others, in the Metropolitan area has members living in D.C., Maryland and in Virginia. Yet fewer and fewer of our young people who are starting their careers and families are able to find within Washington affordable and suitable housing that they can either rent or purchase.

Likewise, many member households are unable to find such housing in Washington for their aging parents, who they are helping to relocate nearer to the

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kin who will care for them.

Thus, young and old alike, in our pretty solidly middle class congregation are unable to find affordable and suitable housing within Washington, D.C.

The third of our members who do now live in D.C. are finding it more and more expensive to do so and are finding it harder to see how it could make sense to make their next home in Washington after the kids go off to college or when they decide to find a larger unit to house themselves and an aging parent or two or perhaps after their spouse has died or their own health has deteriorated to the point that they need to move into affordable housing with assisted living services.

I've been an advocate for affordable housing for almost 20 years and after learning about mandatory inclusionary zoning, I've become an active proponent for it.

I believe that our city and many around the world are in danger of becoming enclaves of better off people that leave no space for the less fortunate among us, yet I believe that all progressive religious and secular philosophies share the ideal that we are responsible for one another. We are responsible,

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personally and collectively, for the welfare of our neighbors and to care especially for those least fortunate and most hard pressed among us.

Mandatory inclusionary zoning can help us to build and preserve, throughout our community, affordable housing opportunities, which help people to gain their footing as they work to sustain and advance themselves. I'd like to share with you now a few observations as to the merits of the Campaign's proposal in comparison to that of the Office of Planning.

First, the Campaign's proposal will help more families of more modest means than would the Office of Planning proposal. The Campaign's proposal includes low-income working households at 50 percent of Area Median Income in midrise and highrise development projects, while the Office's proposal does not. Needless to say, lower would be better yet.

Second, the Campaign's proposal provides for the first right of purchase by nonprofit groups or the D.C. Housing Authority. This provision would enable our communities to use this model of inclusionary zoning to reach even households below 50 percent of median income and then keep such units permanently

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affordable. The Office of Planning proposal lacks any such provision.

Third, the Campaign's proposal is based on best practices being used in dozens of communities in our nation. These practices communicate clear goals in terms of percentages of affordable housing units to be produced at very set levels of maximum affordability and focused on serving the greatest numbers of people in need of such housing. In contrast, the Office of Planning proposal employs a rarely used square footage method that lacks safeguards to ensure they would ultimately produce a maximum of affordable units and lacks clear definition of goals regarding which housing units in the project will be affordable at needed levels. Such clarity is critical to facilitate the monitoring and enforcement needed for the success of any program.

Fourth, the Campaign's proposal is well suited to achieving income, class and ethnic integration in our community by creating more units of affordable housing throughout our city and allowing only very few exceptions that would tend to concentrate lower income people and sites other than those being developed for their higher income neighbors.

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CHAIRMAN MITTEN: I need your closing thought, Rabbi.

RABBI BIBER: Sure. The Office of Planning proposal on the other hand does not make this kind of integration likely. It provides way too many, much too much room for exception. I want to thank all of you for listening to the testimony of your neighbors and I hope dearly that you will vote for the Campaign's proposal so that we can see an increase, rather than a continued loss of affordable housing in our community. Thank you.

CHAIRMAN MITTEN: Thank you. Go right ahead.

MS. BYRNE: Good evening and thank you. My name is Melissa Byrne. And I have just moved to the District of Columbia this past year. Unfortunately, I still haven't been able to find housing in this city and I'm committed to living in the city because I majored in Urban Studies at the University of Pennsylvania and did course work, graduate course work in City Planning while I was an undergraduate there.

Moving to the city and I'm lucky I have a job that pays well, I still can't find housing that doesn't cost more than 50 percent of my monthly post-tax

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income. And this happens to most of my friends as well who are college graduates. Working here in nonprofit sector, you're lucky to make \$30,000 a year which is about half -- less than half of the median income. So for us, we can't find housing. And as a college graduate, I can't find housing, I can't imagine what happens to people who don't go to college and live in this city. Should they be forced to move out of this area to West Virginia? Because honestly, it's even hard to find housing that's affordable in any of the surrounding metropolitan area. So it is important to support the plan for mandatory inclusionary zoning. That said, it's a privilege to do business in this city and to do business anywhere in this country. And if developers are hesitant to provide affordable housing units, maybe they should reassess whether or not they should be in the business of providing housing. There has to be a way that you can have luxury housing, you can have moderate housing and low-income housing. The janitors who clean the buildings should be able to afford to live in the neighborhoods where they work. We all should be. A community has to have all levels. If it's only high-income people, then we don't have a

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community. We just have a work area for people who live in the area and it should be for everybody.

So thank you. I'm speaking off the cuff. I wasn't planning on speaking tonight, but just listening to everybody's stories I wanted to add my struggle to find housing as well and hopefully in a month I'll have housing. But if not, I'll have to keep subletting until I find a place that doesn't cost 50 percent of my income.

So thank you very much.

CHAIRMAN MITTEN: Thank you. Sir?

MR. PRESSLEY: Thank you. My full name is Thomas Pressley. I intend to give you an overview of what exactly has happened over the past 60 years. You need to hear it. I put a document in your hand. I'll run through that with you too shortly.

CHAIRMAN MITTEN: I just remind you, you have three minutes.

MR. PRESSLEY: Pardon?

CHAIRMAN MITTEN: You have three minutes. You were going to cover 60 years of history.

MR. PRESSLEY: I'll run through that with you also. The problem that you have in this city is mostly racism than anything else. Between 47 and 57 years

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ago, they start a thing, what you call block busting which you all may have heard of it. I live it. I saw it and it's still around today and it must be cut out.

You are the only people on that panel that can put a stop to it. You can do it tonight. You have the power to do it and I'd like to see you do it. And that cut out racism. The tax structure that you have is illegal and unconstitutional and you shouldn't tolerate it. That's the problem. Get rid of it and don't allow another house in this city to annihilated with the tax structure.

Now that structure is out of hand. You have it right in your hand. And just study that. And you'll see what a problem is. The earth has no problem that man cannot solve. We must solve it. We mustn't go on with this evil thing.

Now I'm going to show you something. This must not be tolerated. How can this be? Look at it. Everybody. See that price? What's in that house? What's in that house? Look at it.

CHAIRMAN MITTEN: Could you read that out loud for the record so we have it on the record?

MR. PRESSLEY: Yes, okay. The tax man has. \$424,770 for a house that was built 120 years ago.

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Why? That's not the end of it. On the back side of this I wrote the Mayor and asked him about this. The Mayor gave me a contact number and said call these people. I did. I got no answer. Two weeks later, guess what I got? An increase of \$122,420 added to this. There it is. This must stop. Nobody can stop it but you. Don't allow this filth to go on. You are taxing people out of their home. Elderly people. Don't do this.

You know what? And when they tax them out, they'll send it to the dumpster, that house and knock everything out of that house and put it in the dumpster. That's a fact. You must stop this this night. Don't let anyone wreck another house in this city. What that man has done on the 11th of this month, make it null and void, please, because it's asinine.

We can't put up with this any longer --

CHAIRMAN MITTEN: Mr. Pressley, your time is up. Would you like to give us one closing thought? Your time is up.

MR. PRESSLEY: Yes, okay, thank you. Yes. Turn to the first page, look in the upper right hand corner and see what it says by that particular house.

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Read it. Zero. Right? The tax structure knows this.

So this is why he puts it in the dumpster after he taxed the owner out of it. That is not fair, unjust and you must put a stop to it.

CHAIRMAN MITTEN: Thank you. We'll study this. We will study this.

MR. PRESSLEY: Please do.

CHAIRMAN MITTEN: Thank you.

MR. PRESSLEY: And if you want proof, just stop by that address because it's on this -- any day you want proof, that house never been finished, 120 years old. No way it could be worth it. And that's what these people paying, taxes, nothing. This is not fair and you must stop it.

CHAIRMAN MITTEN: Okay, thank you very much.

Sir, it's your turn.

MR. JOHNSON: Hi, I'm John W. Johnson. I represent the Watergate Anti-Crime Commission at the House of Watergate at 2500 Virginia Avenue, N.W.

However, any level of success you've had with affordable housing would certainly enable us to raise the crime prevention rate against the homeless people in this town. My Commission is the only agency in the

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whole city that has a regular program for prevention of crimes against homeless people. I would be so glad to receive any information on any affordable housing and my address is 800 6th Street, N.W., the Wah Luck House and the apartment is 615. Thank you.

CHAIRMAN MITTEN: Thank you, Mr. Johnson.
Any questions for this panel?

Any questions? Okay, thank you very much.

RABBI BIBER: I'll submit my testimony.

CHAIRMAN MITTEN: Please do that. Is there anyone else who would like to testify this evening?

Okay, I'll remind you that we will reconvene again on Monday, August 1 at 6:30 and the Office of Planning will have their opportunity to make a presentation and if there's anyone else who you're aware of who would like to testify as an individual on behalf of an organization, they can come on Monday night and we'll take them as well.

So thanks again, thanks for hanging with us tonight. We're now adjourned.

(Whereupon, at 10:08 p.m., the public hearing was adjourned, to reconvene on Monday, August 1, 2005 at 6:30 p.m.)

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